DISTRICT VISION

THE POWER IS IN THE I.D.E.A.

Why has the concept of a mixed-use district driven by a Design jobs cluster, nourished by Education, enriched by the Arts and focused on Innovation caught the imagination of San Diego business and community leaders? They understand that in the 21st century it will not be enough to rest on our past business success, great weather and beautiful environs. We have to intentionally plan for the future.

› A future that will see increasing interdependence between design and technology

› A future that must provide high-paying jobs to attract and retain young, creative and educated citizens to ensure our competitive position moving forward

› And, a future enriched by art, entertainment and recreation, the hallmarks of all great livable and vibrant cities

As real estate developers, our clear goal is to enable this vision to become a reality and to unleash the potential it holds to drive new businesses and new jobs to our region. Our aim is to inform and to inspire, and to invite you to participate in shaping this economic development initiative.

CONTENTS

SECTION 1 VISION SUMMARY

"I admire your vision for a new design industry cluster and I hope the concept becomes a reality in the very near future."

—Jerry Sanders, Mayor, City of San Diego

STARTING WITH THE CENTRAL I.D.E.A.

Design: To conceive, invent, execute, or construct according to plan.[1]

Cluster: Geographic concentrations of companies, suppliers, support services, financiers, specialized infrastructure, producers of related products, and specialized institutions whose competitive strengths are improved through the existence of shared advantages.[2]

Major trends in the global economy, coupled with San Diego's strategic location, business climate, and entrepreneurial spirit, all point toward the opportunity for The I.D.E.A. District (I.D.E.A. District) to be the "next big thing." In addition, there are specific characteristics of the existing area, located on 35 city blocks in San Diego's Upper East Village, that make it ideal for this use, including the presence of several major educational institutions that emphasize design, multiple small but growing design-related businesses, and a physical environment with the appropriate character for this purpose.

It consists of a compact neighborhood where everything is a five-minute stroll from the center, blocks that are small and easily walkable, several warehouse buildings that provide clues for the optimal building form for creative uses, appropriate zoning and allowable density already in place, and lots of undeveloped (or underdeveloped) blocks that allow for reinvention of the District.

Making this vision a reality can have a transformational impact on our city by creating over 10,500 design jobs in the next decade. But this is

Job clusters lower the cost of entry, enhance opportunities for innovation, and allow firms to leverage local resources to expand businesses more rapidly.

not an opportunity that will last indefinitely and it requires immediate action.

What do we mean by a design cluster? We are referring to multiple design-oriented businesses – including architecture and landscape design, animation and modeling, product design, industrial design, graphic design, digital design, media and post production, fashion design, furniture design, and more—that choose to co-locate in a specific area because it supports their business objectives. Academic research and case studies demonstrate the benefits of this clustering effect. The comprehensive 2009 study, "Clusters, Convergence, and Economic Performance," illustrates this power. "Industries participating in a strong cluster register higher employment growth as well as higher growth of wages, number of establishments, and patenting … Importantly, we find evidence that new industries emerge where there is a strong cluster environment."

We need to look no further than the Torrey Pines Mesa to see the dramatic and positive impacts of co-location on the fortunes of the bio-engineering industry. In "Building the Innovation Nation: The San Diego Experience," the authors highlight this co-location phenomenon as it relates to the explosion of San Diego's biotechnology and telecommu-

nication industries over the last two decades, and point out that thirty years ago, San Diego was only known for its defense contractors and military presence. The article cites UCSD's presence as the catalyst for this transformation—by attracting scientists and engineers (intellectual capital), a business/industry/entrepreneurial network evolved creating mutually beneficial relationships. The cluster effect was quickly realized because, "Business leaders from innovative companies told us that they liked to locate their companies near world-class research institutions."[1]

As this example illustrates, San Diego is now known as a science and technology town. So why focus on design? Steve Jobs, arguably the most influential force in both technology and design has said, "Design is the fundamental soul of a man-made creation." What he understands, and his company Apple has proven again and again, is that breakout companies, products and services in the 21st century will result from the marriage of cutting-edge technology and brilliant design.

The rest of the world has clearly awakened to the power of design—not in terms of "nice packaging," but as a means of driving fundamental economic growth. Seoul, Korea (and Helsinki right behind them), have made huge investments to win the designation as the World Design Capital for 2010-11. Seoul has shown exceptional resolve in rebuilding
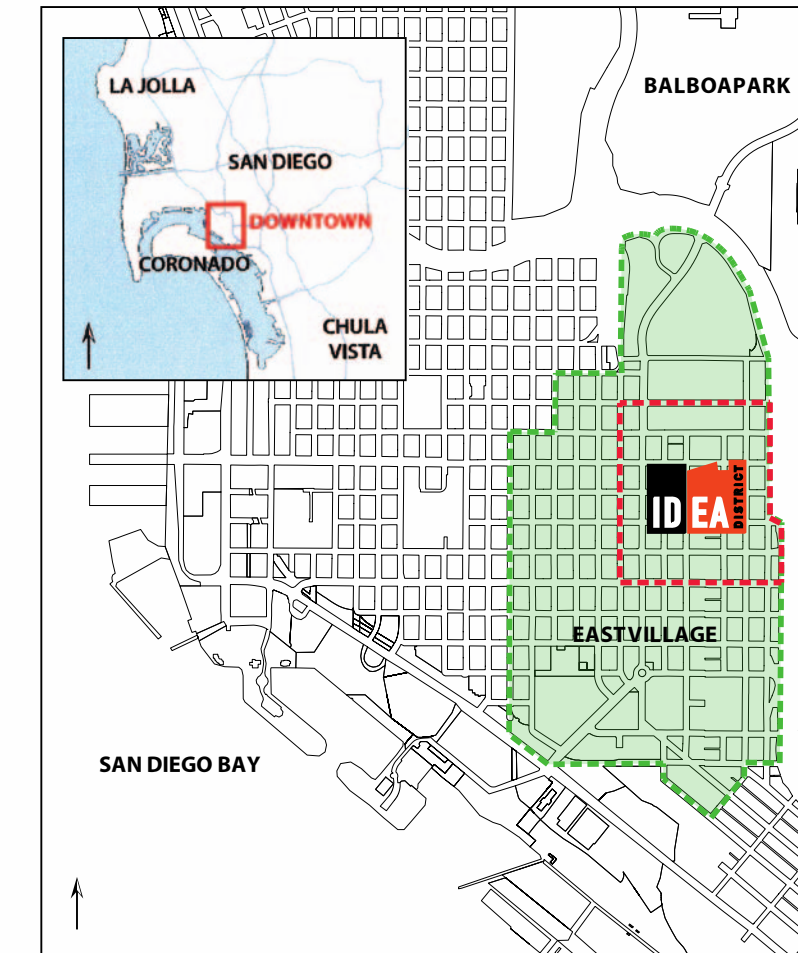
itself from the ashes of war to its current status as an economic power-house. Barcelona's 22@ has integrated economic, physical, and social regeneration with investment in economic and social programs and property development to create 56,000 jobs and thousands of new companies since 2000. What do they know that we are missing?

San Diego is already home to design activity. In fact, the small and relatively undeveloped East Village area that we are targeting already has 30 small design-related businesses, including recording studios, architecture firms, photographers, artists, urban lifestyle boutiques, graphic design firms, fashion designers, stylists, art schools, and art galleries. But, what we have yet to fully grasp is the potential to create and support a specific cluster of these firms that will not only elevate their importance in the region, but lead to new collaborations and growth.

Happily, designers tend to be social animals and thrive on inspiration from their peers. Indeed, we've heard numerous suggestions for ways that the District can facilitate creative engagement—both planned and spontaneous. In the minds of these designers, the creation of the I.D.E.A. District is principally about building a rich social environment, an "innovation ecology," if you will, rather than simply a distinctive physical space. Whereas the science and engineering talent that gravi-tate to the businesses surrounding UCSD tend to favor the more "leafy"
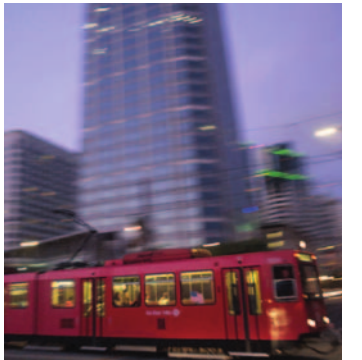
"The East Village Association strongly supports locating the I.D.E.A. District in the East Village because it reflects our creative roots and eclectic nature."

David Hazan, Chairman,
East Village Association

environs, designers are attracted to the "grit" of downtown. According to numerous interviews and observations, they crave the ability to shape their space and their experience. So, one thing we can say for certain is that the I.D.E.A. District should be a flexible, constantly evolving, never completed, creative work in progress.
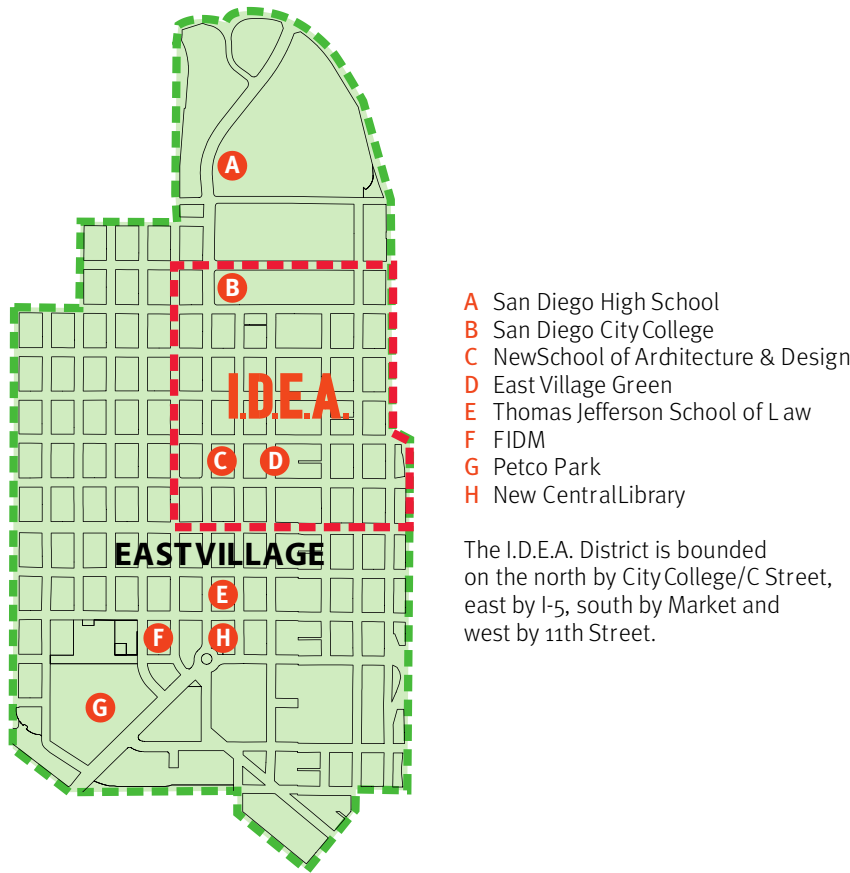
What turns the I.D.E.A. District from intriguing concept to reality? In part, catalytic projects. None is more important than the proposed new urban campus for the NewSchool of Architecture and Design (NSAD). This institution, (currently located in the District), is owned by Laureate International, a major for-profit education company that owns 55 universities and colleges worldwide, 18 of which specialize in architecture or design. The new NSAD campus is slated to be Laureate's flagship design school and a center for design excellence worldwide.

Building an architecturally significant new building to house NSAD's projected 1000+ students and faculty will ignite the District by bringing world-class design thinkers to San Diego. A model well-developed by UCSD as discussed above: recruit top scientists and engineers, build them lab space, surround them with great talent and resources, and encourage the incubation of new ideas. Likewise, the NSAD platform creates the opportunity to recruit top design talent, surround them

with an innovation-rich environment, and incubate new products. Our proximity to Mexico also affords us a cost-effective way to manufacture these new ideas.

Surrounding NSAD's new campus, we envision a real, vibrant, urban neighborhood characterized by activity 24 hours a day, 365 days a year. The cluster of creative enterprises will be a magnet for young people, for innovation, and for artistic and entrepreneurial expression. This community will be composed of designers, architects, scientists, students, engineers and artists whose economic function and personal passion is to create new designs, new technology, and new creative content. Their common motto: "Cross-Train the Brain." Many of the potential employees for these new firms already live downtown. Rather than commute to their current job, this new District provides them the opportunity to walk or bike to work: the most tangible way to create a sustainable community.

The concept is scalable and can move forward successfully with a few key and targeted anchor tenants, but has the opportunity to grow dramatically and ultimately emerge as a major growth engine for the region. The potential economic impacts of the I.D.E.A. District are significant at multiple levels. The 35 city blocks have entitlements in place to build over three million square feet of office/studio space,

A San Diego High School
B San Diego City College
C NewSchool of Architecture & Design
D East Village Green
E Thomas Jefferson School of Law
F FIDM
G Petco Park
H New Central Library

The I.D.E.A. District is bounded on the north by City College/C Street, east by I-5, south by Market and west by 11th Street.

2,500 residential units, 340,000 sq. ft. of retail space and 300 hotel rooms, and this is not even the maximum allowable density. This amount of new space would translate into over 13,000 jobs, 4,000 residents, and nearly $21 million of new revenue annually to the city.

This is not an opportunity that will last indefinitely. Development pressures are already building to turn one of the District's best assets, available land, into four-story apartments over a parking podium. If this occurs, East Village will read as one long, boring, run-on sentence and it will forever preclude the potential to achieve something truly special and transformative. Imagine if, as some suggested at the time, we had decided to pass on UCSD and just built more housing instead. Consider how that one strategic choice has changed our region.

So, the challenge is before us. The undeniable convergence of technology and design, the presence of growing design businesses and educational institutions hungry for collaboration, and available urban land with great "bones" all conspire to present us with a huge opportunity. Can all the stakeholders in this District work together to achieve a dynamic, jobs-rich mixed use neighborhood that can produce extraordinary benefits for all? We believe we can and we will.

Once the momentum starts to build, there are a number of
other key projects that can shape the future of the District including:

1 | A new studio loft building that creates an opportunity for San Diego-based design firms, including the
design functions within our largest technology companies, to co-locate; this building would also house
a dedicated space for a new design incubator;

2 | A Design School, modeled after the d.School at Stanford, which offers graduate courses in interdisciplinary
design and connects programs from NSAD, City College, UCSD (CaliT2 and CISA3), USD, and San Diego
State University;

3 | Design and creative-focused businesses, new to San Diego, that are recruited to become anchors for
this new cluster. Examples would be IDEO in Palo Alto or Activision in Santa Monica;

4 | An "ARTS Blok"—a full city block containing a museum showcasing the works of major collectors with
galleries and cafes at street-level, low-cost studio space a level above, and several hundred units of
affordable artist housing on the upper floors;

5 | A flexible "watering hole" community space that provides for a lively discourse and exchange of ideas,
trends, and issues and has a nocturnal life as a hip performance and visual arts space;

6 | A variety of well-designed and programmed public gathering spaces, including the East Village Green
that facilitates interaction and relaxation among district inhabitants;

7 | High Design High—a charter school modeled after the magnet school DASH (Design and Architecture
Senior High) in Miami and similar in concept to San Diego's own High Tech High, in which students
have a specialized design-focused curriculum and are able to partner with area designers for internships
and mentorships;

8 | Multiple retail and dining options, including a fresh market, all with a strong design/artistic influence,
with outdoor cafes spilling onto the streets;

9 | Housing in a wide variety of forms and price points including student and artist housing and new
models of supportive housing for the homeless;

10 | Bike and car-share programs encouraging residents and visitors to walk, bike, or use transit in the
district.

ENDNOTES

[1] Merriam-Webster Online Dictionary. 2010.
http://www.merriam-webster.com (November 2010).

[2] Sallet, Jonathan, et al. "The Geography of Innovation."
Science Progress. September 2009: ii–43.

[3] Delgado, Mercedes, Porter, Michael E. and Stern, Scott,
Clusters, Convergence, and Economic Performance
(October 1, 2010). US Census Bureau Center for Economic
Studies Paper No. CES-WP- 10-34. Available at SSRN:
http://ssrn.com/abstract=1695011

[4] Walshok, Mary L., et al. "Building Regional Innovation
Capacity: The San Diego Experience." Industry and Higher
Education. February 2002: 27-42.

[5] Leon, Nick. "Attract and Connect: The 22@Barcelona
innovation district and the internationalization of Barcelona
business." Innovation: management, policy & practice (2008).
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[6] East Village Association Business Directory, 2011.
http://www.eastvillagesandiego.com/business-directory/
(March 2011).

[7] See appendix

SECTION 2 MARKET PERSPECTIVE

In a high-cost of living region like San Diego, not all job sectors are equally attractive,
nor do all justify an intentional strategy for growth. Design is a jobs cluster that pro-
duces high-paying, clean jobs—second only in average salary to telecommunications
and technology—has potential for significant growth, as evidenced by the performance
of digital and media-related design over the past several years, and leverages our
already existing strength in technology.

DESIGN, SAN DIEGO STYLE

On multiple key dimensions—an open and well-educated populace, diverse cultural influences, proximity to clients and collaborators—San Diego ranks high on the qualities needed to support vigorous growth in the design sector. Reports from numerous designers confirm this fact. A missing piece has been a viable co-location opportunity which enables design and designers to be celebrated and recognized in an environment that stimulates their creativity and collaboration.

Other cities and countries understand this dynamic and are actively courting the design community. So, we need to move quickly or the opportunity will pass.

The Context

San Diego has amazing weather, is home to the busiest international border in the world and has strong job clusters in telecommunications, biomedical, tourism, manufacturing and the military. It does not however, enjoy the competitive advantage of being a gateway city for the 21st century. Gateway cities, as the name implies, are those markets that typically have deep-water ports, easy rail access, international/hub airports, major medical centers, university complexes and multiple industry clusters. Examples include San Francisco, Seattle, Los Angeles, New York and Boston. As a result, the leadership of San Diego has to be more strategic, deliberate and innovative to grow the local economy and maintain the quality of life we have come to enjoy.

The Fight for High-Paying Jobs is On

All cities are searching for the next new industry that will grow high-paying jobs. The US Department of Labor estimates that 70% of jobs in 2020 do not exist today. This is because, based on the rate of development, the new technologies that define these new jobs have yet to be invented. According to the publication entitled "Strategic Blueprint for the DesignSingapore Initiative," "it is now commonly accepted that everyone can expect to have three to four significant career changes in a lifetime. This has a profound implication on education. But more importantly this rate of change will need to be matched with a new mindset...It is no longer business as usual. We are facing increasing competition in the new ideas-driven creative economy."[1]

What are the new "idea-driven" industries and businesses that would thrive as a result of San Diego's unique physical, cultural and location attributes, and would produce the kinds of jobs that can support a family?

This question is very much of the moment. The current Regional Visioning Initiative sponsored by The San Diego Foundation is an effort designed to identify those issues most important to San Diegans as they look to 2050 and beyond. Findings from the initial research phase identified two matters that are of the greatest concern to San Diegans:

• The high cost of living in the region. Respondents expressed great concern about whether their kids could afford to stay here;
• Lack of availability of high-paying jobs.

The pressure to develop a winning strategy is now—SANDAG projects that the region will need to create 500,000 jobs by 2050 to support a projected population increase of 1.4 million people.[2]

Everyone agrees that we must aggressively and intentionally grow jobs to expand our economy, but what kind of jobs and how do we grow them? Do we rely on historical growth sectors such as biomedical, telecommunications, and tourism to supply the bulk of the new jobs, or do we cultivate new targets for investment?

Learn from Success

We start with a concept that has proven extremely successful in positioning San Diego as a national leader in the telecommunications and biomedical industries industry—"clusters." In evaluating the role of "clusters" in economic performance, researchers Mercedes Delgado, Michael Porter and Scott Stern observed that industries participating in strong clusters register higher employment growth as well as higher growth of wages, number of establishments, and patenting. Importantly, they found that new industries emerge where there is a strong cluster environment.[3]

A great deal of the current thinking on job clusters suggests that the most successful regions will not only grow new clusters, they also understand how to facilitate collaboration across clusters. That is why we're suggesting that a design jobs cluster is a perfect complement to San Diego's already strong technology base. Many technology companies have products that showcase cutting-edge science, but they also require equally brilliant design to become commercially viable.

Co-location

Co-location is the natural outgrowth of the presence of strong job clusters. Examples of co-location include car manufacturing in Detroit to the financial sector in New York to the software campuses of Silicon Valley to the film and entertainment industry of Los Angeles. Whether it is the presence of one catalyst firm driving supply chain demand or the presence of multiple firms benefiting from the shared resources of anchor institutions (like the New York Stock Exchange), case studies show that clustering and co-location of similar businesses create an ecology of collaboration and innovation; one where the whole is much greater than the sum of its parts.

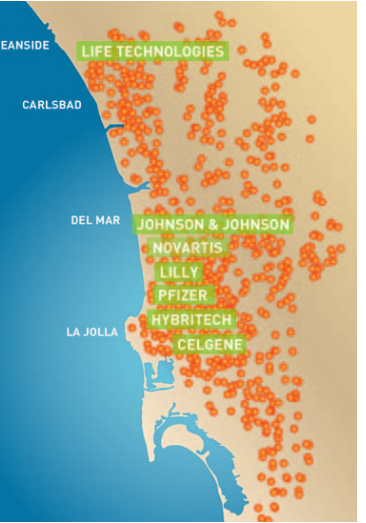### Existing Clusters in San Diego

75 RESEARCH INSTITUTES

1,500 IT/WIRELESS/ COMMUNICATIONS/ SOFTWARE
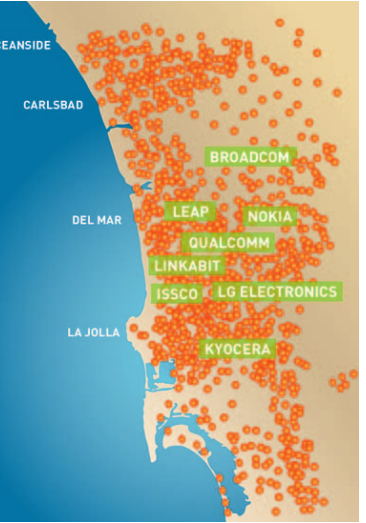
600+ BIOMEDICAL/ LIFE SCIENCES


CONNECT San Diego

Potential for Growth

Potential for growth from existing, more mature jobs clusters in traditional industries is flat. Current share of San Diego employment sectors include: government 15.6% (weighted by presence of multiple military branches/bases), professional and business jobs 13.7%, and leisure and hospitality industry at 10.6%.[4]

The technology sector presents the best opportunity for growth. According to the latest CONNECT Innovation Report Q4, the Technology Innovation/Manufacturing cluster, which accounts for 6% of the companies and nearly 140,000 jobs in the region, saw no net job growth over the past several years. However, they outperformed the rest of the San Diego economy and expect job growth to pick up this year. This cluster creates the highest paying jobs in the region – averaging over $91,000 – so the 11% of the workforce in this sector comprises over 25% of all wages in the region.[5]

The important statistics here are potential wages against employment type. Clearly more leisure and hospitality jobs (at an average of $21,000 annually) are not going to fulfill San Diego's need for clean, high-paying jobs in the ideas-driven creative economy. Design, on the other hand, creates jobs which pay, on average $76,000, which is second only to telecommunications and technology at $91,000.[6]

Average Income for San Diego by Industry Sector

Creative Vitality Index
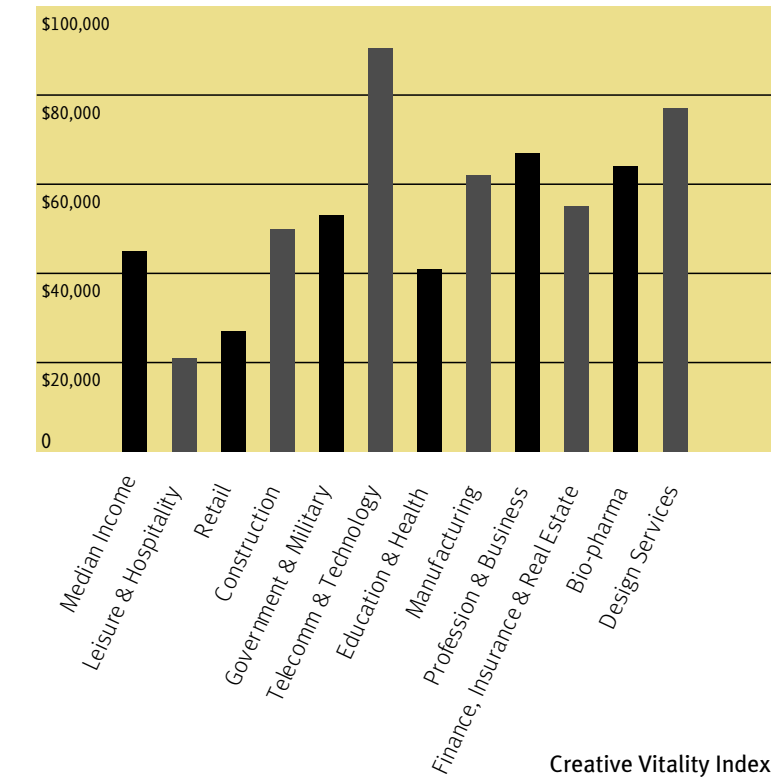
Why Design?

As the Singapore Strategic Blueprint so eloquently puts it, "Design goes beyond invention. Design is about the things we make, the places we shape, the illustrations we compose, the human interfaces we configure, and the processes and events we organize. It is material, visual, as well as a way of thinking. The design process brings together art, technology, business, and science, integrating a range of considerations that are crucial to human potential, environmental sustainability, wealth creation and innovation. Most of all, design is aspirational and visionary.... In an increasingly ideas-driven economy, design has become an important enabler for transformational change to solve problems, balance priorities and interests, realize potential, create new value and markets, and improve the quality of life."[7]

For San Diego that means:

1. We can be at the forefront of creating an ideas-driven jobs cluster—design
2. We can address the need for high-paying jobs
3. We can build on the base of design jobs we currently have
4. We can grow a new cluster that leverages existing, high-paying clusters

"Design is the fundamental soul of a man-made creation."

Steve Jobs – CEO, Apple

5 Components of a Design Cluster

PLACEMAKING

The use of design expertise in the planning, design, and implementation of building the environment, in which we live, work, and play.

Architectural Services

Landscape Design and Architecture

Urban Planning

Interior Design Services

Exhibition Stand Designing Service & Contractors

Naval Architecture

OBJECT MAKING

Design jobs focused on both the digital and physical creation of industrial and consumer products.

Electronic-related Industrial Design Services

Transport-related Industrial Design Services

Automotive Design

Furniture Design Services

General Industrial Design Activities

Fashion Design Services

Weapons/Gear Design

IMAGE MAKING

The creation of finished product images used in the areas of advertising and the visual communication of messages and ideas.

Advertising Activities

Art and Graphic Design Services

Media and Publishing Services

Animation - Video Graphics

Video Game Design

SOFTWARE DESIGN

The creation of software and programming used across various platforms including personal computers, websites, entertainment consoles and smartphones.

Development of Software (including web-based)

Video Game Development

Internet Infrastructure

Movie / Film

3D Conversion

Military Software Design

DESIGN EDUCATION

Institutions offering professional degrees, certificates and programs focused on the various design disciplines.

Architectural Degrees

Design Certificates

Digital Design Programs

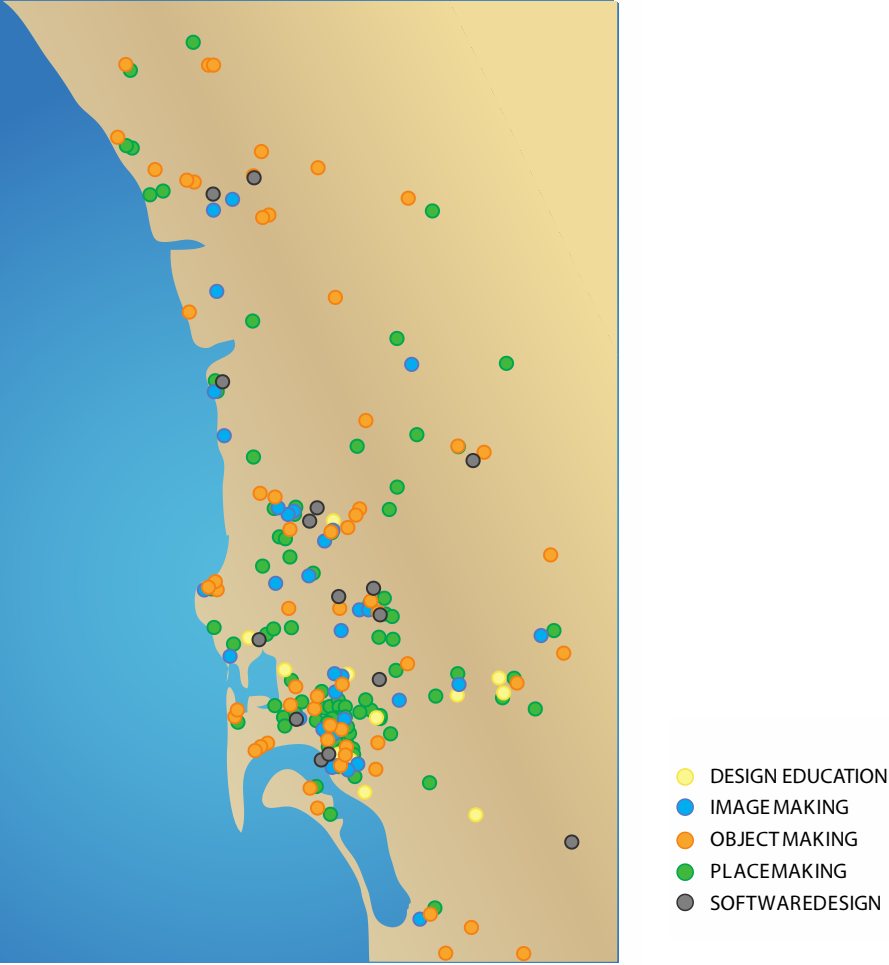Strategic Blueprint for the DesignSingapore Initiative
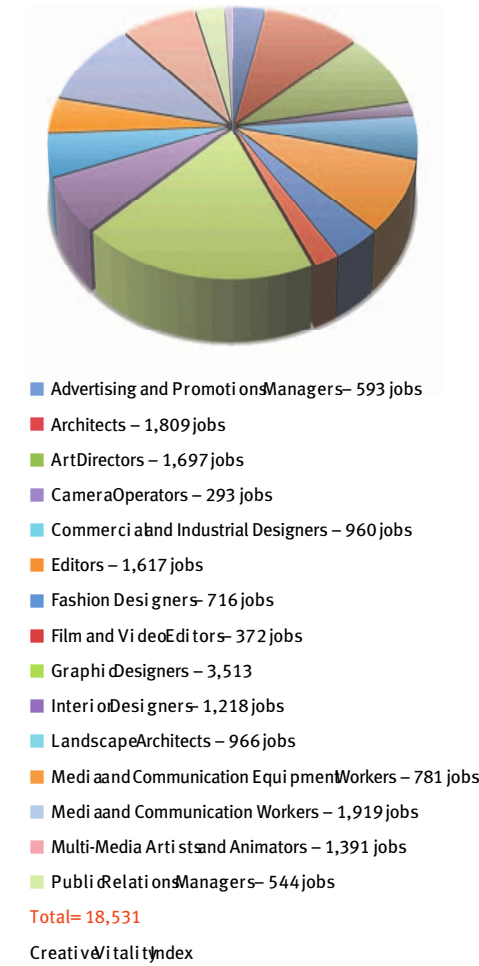
San Diego Design Industry

Design activity currently accounts for approximately 18,500 jobs across 16 disciplines (as compared to nearly 140,000 in technology sectors); this represents a fairly small segment of the overall economy, but it is quite rich in diversity. From golf and action sports to car and product design to digital gaming and 3-D animation to furniture and fashion— there are a variety of entrepreneurial and established firms working throughout the region with little geographic focus.

Currently, San Diego's various design firms are spread across the wide reach of the overall county. Though some natural clustering has occurred, it is typically on a minor scale and in very few instances reaches across multiple disciplines.

The I.D.E.A. District would add approximately 10,500 new design jobs over the next 12 years. While this number may seem relatively modest, the greater opportunity is to serve existing technology companies that currently import design expertise and to set the stage for new clusters to emerge. By building our own design muscle up to the strength of technology, we can become an enviable worldwide model for creative economic development.

Design Firm Locations

- DESIGN EDUCATION
- IMAGE MAKING
- OBJECT MAKING
- PLACEMAKING
- SOFTWARE DESIGN

Legend for pie chart:
- Advertising and Promotions Managers – 593 jobs
- Architects – 1,809 jobs
- Art Directors – 1,697 jobs
- Camera Operators – 293 jobs
- Commercial and Industrial Designers – 960 jobs
- Editors – 1,617 jobs
- Fashion Designers – 716 jobs
- Film and Video Editors – 372 jobs
- Graphic Designers – 3,513
- Interior Designers – 1,218 jobs
- Landscape Architects – 966 jobs
- Media and Communication Equipment Workers – 781 jobs
- Media and Communication Workers – 1,919 jobs
- Multi-Media Artists and Animators – 1,391 jobs
- Public Relations Managers – 544 jobs

Total= 18,531

Creative Vitality Index

Design Service Industry Composition

The largest design service discipline in San Diego is currently graphic design, accounting for over 3,500 jobs or nearly 20% of the total 18,531.

Graphic design is followed closely by media and communication workers, architects, art directors, editors, multi-media artists, and interior designers, all of which fall between 1,200 and 2,000 employees locally. Many of these firms have seen growth even through a struggling national and local economy, especially those businesses specializing in digital and multi-media design.

How San Diego Stacks Up

San Diego has a higher base of design jobs as compared to many other metropolitan areas in the Western United States. As of 2007 San Diego had 18,531 jobs in the design service sector. Placing it second for the most design service jobs of the six major cities, behind only Orange County at a total of 20,614.[8] And, as a percentage of total jobs in the metropolitan area San Diego has the highest at 1.39%, compared to the other cities listed below. By comparison Los Angeles, a city already recognized for its creative sector, has a total 94,407 jobs accounting for 2.28% of the local job market.[9] What this shows us is that San Diego has a strong base of design service jobs compared with other similar cities.

Design Service Jobs By City
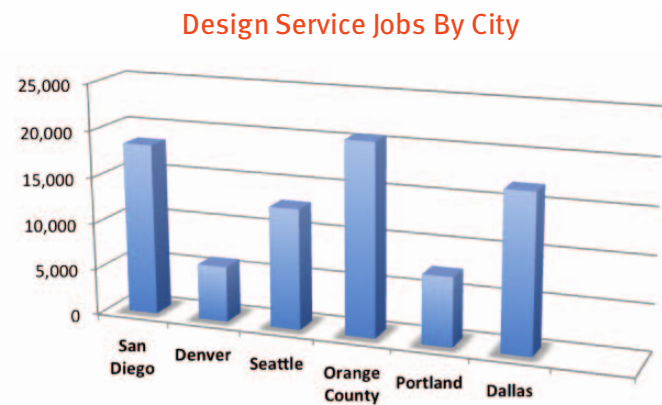
It also tells us that San Diego has room for growth – as a mature design economy like Los Angeles where design jobs account for nearly double that amount.

The Designers

What are the physical, cultural and location attributes most attractive to design firms? That is what we wanted to learn by speaking with designers working in a variety of fields. We wanted to know how proximity to customers, the natural and built environment, high-quality amenities, an educational pipeline, and cost of living factor into their decision-making process. In a nutshell, San Diego already ranks very high along many of these dimensions with the potential for improvement.

Design Firm Observations

We met with nine firms representing a variety of design disciplines for in-depth interviews, office tours and follow-up conversations. The fields represented include graphic design, industrial design, video gaming, experience design, architecture and automotive design.

KEY TAKEAWAYS

1 | They are attracted to the concept of co-location – San Diego currently lacks a suitable co-location place

2 | Designers want to be celebrated and recognized

3 | They don't want a glossy, "master-planned" environment

4 | Designers want to have a hand in creating the District – that's what they do

5 | They would rather occupy buildings with a diverse mix of design firms and artists

6 | The sociology is as important as the built environment

7 | They value public transportation, proximity to the border and the East Village location

8 | Watering holes, music, performance art, street art – it's about creating an experience that does not exist anywhere else

9 | It should not be about "can I afford it?" but about "I have to be there"

10 | They value the presence of schools and lots of students, which is why the NewSchool of Architecture and Design is an important anchor to the District

11 | Park and ample community gathering space is a must

12 | Sustainability is critical to this group

Participating Firms:

Gad Light / Gad Shaanan, Principal/ Industrial Design / La Jolla

Bennett Peji Design/ Bennett Peji, Principal/ Branding & Graphic Design / Downtown

Bulldog Drummond / Shawn Parr, Principal/ Marketing & Advertising/ Bankers Hill

Sharp Experience / Mark Tomaszewicz, Director/ HealthCare Experience / S.D.

Starizon / Gary Adamson, Principal/ Experience Design / Colorado

Greenhaus/Craig Fuller, Principal/Marketing & Branding/Bankers Hill

The Behemoth/John Baez, President/ Video Game Design/Little Italy

Rob Quigley Architects/Rob Quigley, Principal/ Architecture and Urban Design/ East Village

Jerry Hirschberg/Former head of the Nissan Design Studio/La Jolla

Four Profiles

Gad Light Gad Shaanan attributes his success in industrial design and product development to the meeting of his two passions: global culture and product innovation. The first came from his youth. As the son of a diplomat he was immersed in several European countries and Canada; the second from his formal education in mechanical engineering, and time studying design in Milan.

The result? A career that has included the development of a breakthrough endoscope sterilization device, the redefining of flight simulators, the creation and sale of 12 million youth oriented entry-level cell phones, the invention of the one cup brewing coffee maker, the reinvention of a 50 year old lubricant product better known as WD-40, and multiple advising roles to Fortune 500 executives.

Gadlight is headquartered in La Jolla, California, and currently focuses on creating sustainable innovation in product and business development using the incubator model to identify new markets and needs.

The Behemoth is a group of passionate gamers with the goal of bringing craftsmanship and originality back to the gaming industry through games that are fun to play, and beautiful to look at. The company started as a break-off of another San Diego-based video game developer back in 2002. Unlike much of the industry, Behemoth funds the development of their own games, and distributes the titles through digital channels to the Xbox Live Arcade and Playstation Network. This distinction allows the company to retain the intellectual property rights to their creations.

With control of their creations, The Behemoth is able to market merchandise, anything from figurines of characters to skate decks, directly to fans online and through industry trade shows. When marketing to these fans it doesn't hurt to have one of the largest trade shows for their audience—Comic Con—right in their backyard.

"We've been to Comic Con six years in a row now to help build awareness for the game. We did it all-designed the booth, built it ourselves, and of course paid for it all. This past year it was fantastic to meet all the fans. We were able to start selling our figurines and other merchandise at the Con and as an additional revenue stream, it has really helped our bottom-line."

Rob Wellington Quigley, FAIA
Architecture/Planning

Rob Quigley Architects Moving your company's office into the East Village of downtown San Diego makes sense for a company seeking an environment of creativity and growth, but for world-renowned architect Rob Quigley it made even more sense—his most recent project is the design of San Diego's New Central Library currently under construction less than a block away. The library has already gained nods from the world design community. It features a lattice dome arching over a three-story reading and reflection room, as well as a 350-seat auditorium, an outdoor plaza and café, bay view terraces and roof gardens, and will be home to a new Charter High School.

Rob and his firm are no strangers to downtown San Diego. They were pioneers in Little Italy 25 years ago. They were also responsible for the design of the acclaimed New Children's Museum directly across town. The creative design for both his new headquarters and the library contribute to the already growing reputation of East Village as a place of innovative design.

Legend 3D Expanding in size from only 40 employees less than a year ago, to over 400 employees locally and nearly 1,000 abroad, Legend 3D is a shining example of the transformational capability of design-service firms. Using proprietary software the firm conducts 2D to 3D conversion of films for the movie industry.

In addition to its competitive software, the firm's president Barry Sandrew cites the local supply of quality digital designers as a key component to success. Legend 3D has even attracted employees from traditional design fields such as architecture, which comes as no surprise when you consider entry level employees have the opportunity to make from $45,000 to over $90,000 in their first year with the company.

Design is Driving Economies Worldwide

Design has been at the top of many cities' and nations' economic development agenda for years, and has seen increased attention recently, providing further evidence of the potential growth of the sector and its ability to drive allied clusters.

South Korea

South Korea has a history of a design-focused economy, from their focus on "Expanding Good Design" in the 1980s through the 2003 Initiative for "Globalizing Korean Design." The reward for such planning is evidenced in the current 1.1 million designers (as of 2007) among 2,500 registered and non-registered firms. These firms are funded by the nearly $6 billion budget for design across South Korean Manufacturers, compared to the $1 .4 billion for design budgeted by US based manufacturers.

22@Barcelona

The now iconic 22@Barcelona— the city's innovation district— was not too long ago 500 acres of abandoned industrial buildings. CEO Josep Pique attributes the 'ecology of innovation' created by the district with its ability to attract and retain creative minds. It has paid off—the district has become an engine for both social and economic change, creating 1,500 new businesses and 43,000 new jobs over the past 10 years

San Franciso Bay Area

Design jobs have proven to be resilient relative to the other industries' performance during an economic downtown. While Silicon Valley did see a rise in unemployment spurring from the 2007–2008 economic crash, it has also bounced back the quickest. There are expected to be 180,000 new technology-related design jobs by year end, primarily at the larger Silicon Valley-based firms like Google, Facebook, and Zynga.

New York

Not to be outdone, New York has recently begun to re-focus its economy on design and technology jobs traditionally found near venture capital in California. The city cites its lively urban environment as a key attractor to those in the design and technology sectors.

Regardless of reason, from 2000 and 2009 design sector jobs in New York grew by 75%. Especially high growth has been seen in the number of interior designers (223% increase), graphic designers (139%) and industrial designers (127%).[10]

Insights we gained from these examples:

1. Validation that design-based services are a growth sector producing attractive jobs.
2. Other nations have already begun investing in the infrastructure needed to attract designers and design firms.
3. Other cities in the US have similarly begun to focus on attracting design jobs and have already begun to benefit.

ENDNOTES

[1] DSG II – Strategic Blueprint of the DesignSingapore Initiative, Pg. 8

[2] SANDAG

[3] White paper, Clusters, Convergence, and Economic Performance by Mercedes Delgado, Michael E. Porter, Scott Stern, August 2010, Abstract

[4] http://www.sandiegobusiness.org/media/docs/data_demographics/8_4_07wageratebyindustry.pdf

[5] CONNECT San Diego, Innovation Report, Q.4 2010

[6] Creative Vitality Index – Economic Data Provided by Economic Modeling Specialists, Inc.

[7] DSG II – Strategic Blueprint of the DesignSingapore Initiative, Pg. 5

[8] Creative Vitality Index – Economic Data Provided by Economic Modeling Specialists, Inc.

[9] http://www.bls.gov/oes/2007/may/oessrcma.htm

[10] White Paper, "Growth by Design", Center for an Urban Future, June 2011

SECTION 3 URBAN DESIGN

We addressed the first critical component in establishing a successful I.D.E.A. District – the factors that will attract, support and retain design talent. In this section, we explore the second crucial element to grow a jobs-rich design cluster, the quality of place. These are two sides of the same coin. Talented designers will drive the vitality of the neighborhood. And due to the nature of creative people, they will be acutely aware of their surrounding environment and want to shape and mold that place to their liking.

A SUCCESS STORY STILL IN THE MAKING

Downtown San Diego is currently home to over 35,000 residents and 75,000 workers who enjoy increasingly beautiful and walkable mixed-use neighborhoods. As any long-time San Diegan knows, it hasn't always been this way. In the 1960s and 1970s the urban core suffered from neglect and blight; however, as in other cities across the country, a redevelopment renaissance has brought sweeping changes through private and public investment.

The formation of the Centre City Development Corporation (CCDC) in 1980 marked the beginning of transformational changes in downtown. The redevelopment agency had several goals: revitalize the urban core, provide more housing for a growing region and create a live, work and play destination for future generations of San Diegans. Beginning with the development of Horton Plaza and the San Diego Convention Center in the 1980s, the success of entertainment in the Gaslamp Quarter, public infrastructure investment in open space and transit, the completion of Petco Park in 2004 and the thousands of housing units built between 1995 and today, CCDC has been the leader in defining the direction of urban redevelopment for the city.

Ironically, the missing piece of redevelopment success has been in sustaining a jobs/housing balance downtown; as more housing has been built; many employers have relocated to suburban commercial hubs. While not diminishing the value of housing, this trend can and should be reversed. If not, downtown is at risk of becoming a bedroom community to the rest of the region. We need a proactive and focused effort to grow jobs that leverage the attributes that only a downtown can offer—a walkable and culturally stimulating environment, easy access to transit, convenient to entertainment, shopping, eateries and recreation; and unique to San Diego, minutes from an international airport!

"We strongly support this effort that will create many clean, high-paying jobs downtown."
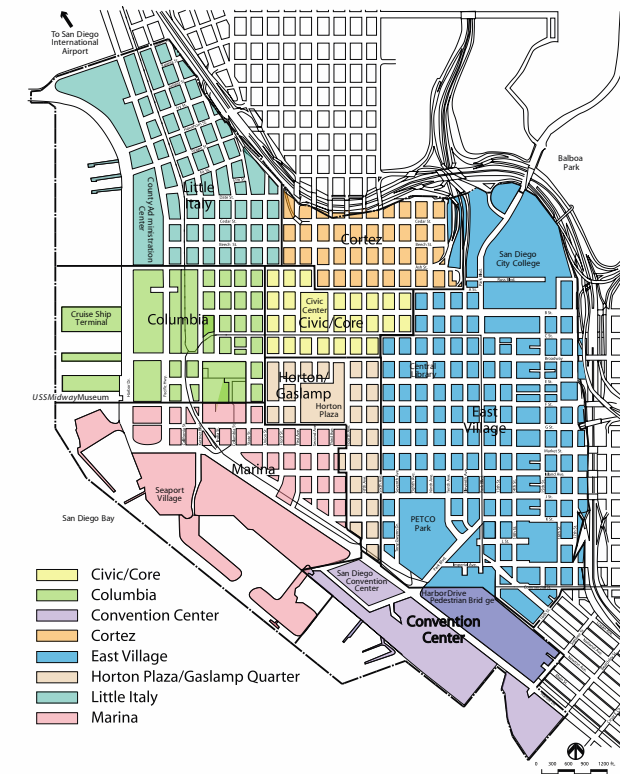
Kris Michell, President, Downtown San Diego Partnership

While other downtown neighborhoods are more fully developed, East Village, the largest by area, has yet to reach its full potential. Known as a former warehouse district, the area is at the beginning of its redevelopment cycle. For that reason, it represents a great opportunity to create a vibrant commercial and residential hub, anchored by the area's educational institutions already in place. These include the New School of Architecture and Design, the recently opened Thomas Jefferson School of Law, San Diego City College and the nearby FIDM (Fashion Institute of Design & Merchandising). Important future amenities in the works include the new Central Library (planned to include a charter high school, art gallery and sculpture garden and will serve as a much-needed central public gathering spot, est. 2013) and the East Village Green in the heart of the I.D.E.A. District.

Civic/Core
Columbia
Convention Center
Cortez
East Village
Horton Plaza/Gaslamp Quarter
Little Italy
Marina

CCDC map showing relative size of neighborhood districts

Real Challenges

One of the continuing challenges in downtown, and specifically in the East Village, is homelessness. Current estimates of the on-the-street (as contrasted to in-shelters) downtown homeless population range between 1000 and 3000. Everyone who has studied this problem agrees that it has become worse as the economy has struggled, and that there are no easy answers. However, CCDC, with the assistance of multiple partners, is moving forward with the creation of a supportive housing project containing 73 permanent supportive units and 150 beds of interim housing in the former World Trade Center Building, but this will only serve a fraction of those in need.

CCDC has recently drafted an ambitious plan to end homelessness in downtown in the next five years. Their approach has involved extensive study and community outreach and included input from experts like Common Ground in New York. We want to build on the momentum that they have created and identify multiple opportunities for partnership.

I.D.E.A. District can address the issue in multiple ways

1. Provide employment for willing homeless with a model similar to one employed in Times Square, New York and the Wynwood District in Miami. They each formed Business Improvement Districts (BID) that employ the homeless to act as custodians for district-wide clean and safe programs. The workers wear distinctive uniforms that identify them as part of the BID and they have responsibility for maintaining the very streets on which they formerly slept.

2. Encourage the formation of additional supportive housing models that can be developed in faster lower-cost ways. The spirit of the District is experimentation, so it is appropriate to embrace early on the challenge to provide clean, safe, affordable housing for a range of users.

3. Increase the number of people on the streets so that the homeless population does not overwhelm other inhabitants of the District. Numerous studies have demonstrated that the perception of safety on city streets increases proportionately with the number of people and the threat associated with the homeless population dramatically decreases.

This last strategy does not pretend to be a solution; rather it address a very real problem of perception. In order to successfully launch this concept, we must increase the sense of safety and this can be best accomplished by increasing the number of "eyes" on the street.
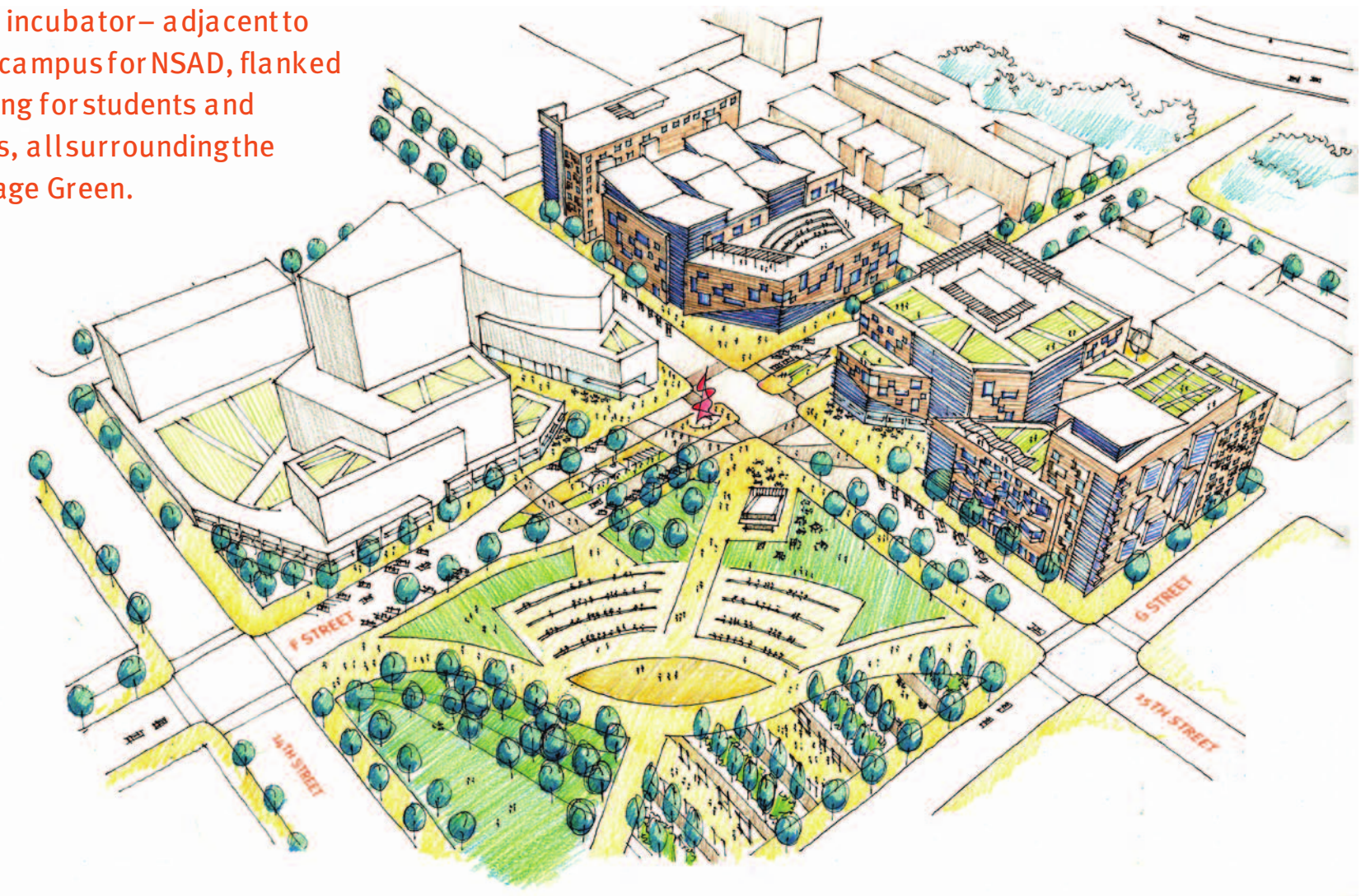
I.D.E.A. Design Principles

To lead off the discussion of Design Principles, we are intentionally employing the term "vision" rather than "master plan." This is not a master plan, which typically implies control of the property in question and a proscriptive approach to development. Rather, we are proposing a strategic vision for the District which we hope will provide inspiration and guidance to the various landholders and developers. We recognize that ultimately the adoption of this approach will be driven by the market-validity of the concept and its proven ability to drive value.

The overarching goal of the urban design vision is to nurture a climate of creativity. Every decision should be measured against a simple set of criteria: Does it further enhance the innovation ecology which is at the very core of the I.D.E.A. District? Does it facilitate generating more ideas per square foot? Does it create a rich and varied social and physical environment? Creativity thrives when people and ideas collide.

A compelling Phase 1: A design studio/office building – including a design incubator – adjacent to the new campus for NSAD, flanked by housing for students and residents, all surrounding the East Village Green.

EEK Architects, Perkins Eastman

These principles form the key values of the urban design vision:

Inside-Out

Designers want to see what other designers are doing to remain competitive and stimulate new ideas. So, residents, neighbors, and passers-by should gain a sense of what happens inside a building without necessarily having to go through the door. This attitude would still accommodate and provide appropriate spaces for confidential ideas. Ground floor spaces in the I.D.E.A. District, therefore, should be open, transparent, interactive and adaptive to new projects and ideas; and the building architecture should employ methods to signal the creative content within.
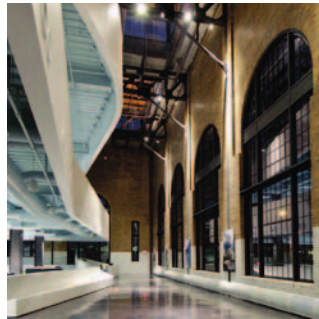
Old + New

Designers possess a unique ability to see potential in the old and turn it into something completely new. Industrial spaces are perfect for new artistic ventures: designers need an abundance of floor space, ceiling height, and natural light to match their ever-evolving needs. Older spaces are well-suited for adaptive reuse, while new development should follow this philosophy, providing flexible, loft-like space for future tenants and residents in a variety of sizes, from large design firms to individual creative professionals.

The LOFT: A Concept Building Block

What is it about loft spaces that invites ordinary people to dream, create, invent and explore? We believe it's about the sense of potential. It provides an environment that is not yet formed or cast. It can evolve and change based on the business or its inhabitants. In that sense lofts are timeless, serving many functions over decades: warehouse, machine shop, studio, office or chic habitat. And that makes the LOFT concept a perfect building block for the I.D.E.A. District.

Never Complete – Ever-Evolving

Innovation means being one step ahead. The I.D.E.A. District should be ever-changing, with the synergy of creative individuals and firms building off each other's thoughts and ideas. A street corner may house a bench in June. In September, it's a public art installation. A building facade may be a solid wall one week; the next, it's playing 3-D animation short films on cutting edge LCD screens. The neighborhood is surprising, provocative, and extraordinary. In the I.D.E.A. District, reinvention happens at every turn.

Variety of Community Spaces

Creative professionals need breathing room: a random greenway cutting through a building; sidewalks lined with trees and landscaping; an office with a view of the park. The I.D.E.A. District should create a unique urban setting without sacrificing its relationship to the natural environment. Linear parks and landscaped fault lines provide buildings with additional sunlight, and residents and employees opportunities to experience open space just steps from their doors. Formal landscapes, native species gardens, and community gardens integrating the latest in urban agriculture trends will make up the public realm in the District, providing open space access within a short walk of every resident and employee. Community space in the I.D.E.A. District is also a perfect platform for experimentation and expression. Concerts, performances, exhibits, markets, and art installations can occur in the public realm for the benefit of those going out for a lunch break or taking an evening stroll.
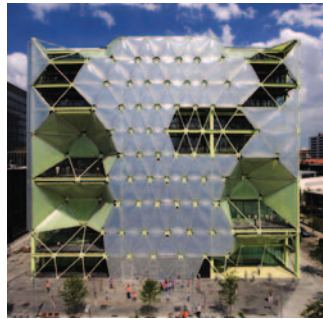
Living Laboratory

A key component of the I.D.E.A. District is its ability to act as a stage for budding designers and innovative new concepts. This works at multiple scales. Business incubation space is vital to young designers and entrepreneurs, providing them with the manageable rent and flexible space to brainstorm, fabricate, and sell. To complement this, an entire city block, between 13th and 14th Streets and F and G Streets, can act initially as a public laboratory for pioneering ideas in design, art, education, entertainment, and technology.

Uses of the space could include digital movie screenings, temporary art installations, demonstration gardens, markets, and more. On a larger scale, the entire District should feel as if it is an urban laboratory—a testing ground for ideas incubated in the District, where the possibilities are limited only by the imagination.

According to the USGBA – Green building, including LEED certification (Silver), can add about 1–2% in construction costs, but will reduce energy costs by one-third every year for the life of the building. It also has a proven track record in increasing employee productivity, which is why it is increasingly attractive to owners who want to hold their real estate assets over time.

Sustainability

With its compact, transit-friendly, mixed-use development, the I.D.E.A. District should be inherently walkable and sustainable. But there's always more to be done: by pushing the boundaries of sustainability, the I.D.E.A. District can represent the future of green infrastructure and building in the San Diego region. Native vegetation, green open space, and permeable pavement filters storm water naturally and prevent contaminated runoff from entering the San Diego Bay. Forward-thinking transit connections include ample bicycle racks and storage throughout the district, innovative bike and car-sharing programs, and access to various bus and light rail connections. A rubber-tired circulator shuttle reduces the number of car trips needed for workers, residents, and visitors.

Green roofs provide a unique space for relaxation and socialization, all while reducing the neighborhood's heat island effect. Pioneering concepts in urban agriculture, such as community gardens, edible landscaping, and farmers' markets, advance the "farm-to-table" movement, reducing food transportation costs while supporting local restaurants and providing opportunities for social interaction and education.

Private development should incorporate green building materials and technologies that reduce the neighborhood's carbon footprint while saving long-term energy costs and creating healthy environments for workers and residents.
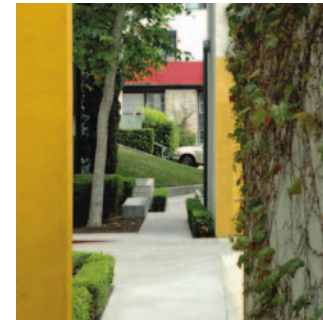
Uniquely San Diego –
The Power of the Outdoors

What comes to mind when thinking of San Diego? Its unmatched climate and beautiful natural setting always top the list. We are an outdoor city, with an informal lifestyle, so the dominant attitude of the built environment in the District should be to let in the maximum amount of light and air. The creative spaces should encourage the walls to literally disappear so that the user experience is primarily about connection with the natural world. The most significant architectural influencers in this region—from Irving Gill to Richard Requa to William Templeton Johnson—have all emphasized blurring the distinction between what is inside and what is outside; so, the I.D.E.A. District will present a contemporary take on this time-proven technique.

DEVELOPMENT APPROACH

The I.D.E.A. District can best be thought of as a large infill project that will be developed over multiple phases. The imperative is to create a "fine-grained" form of development with transitions in scale, form and diversity in architecture and design expression. This approach encourages the contribution of a variety of designers who will be co-creating an environment that is constantly evolving. This stands in contrast to the too frequent monolithic pattern of full block development.
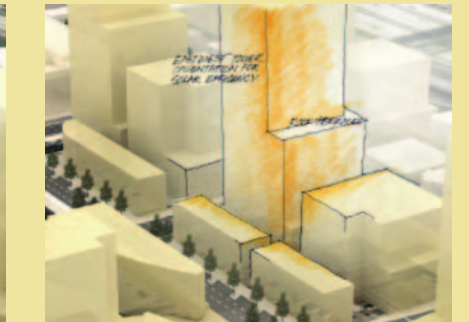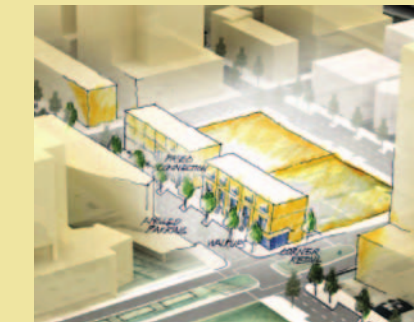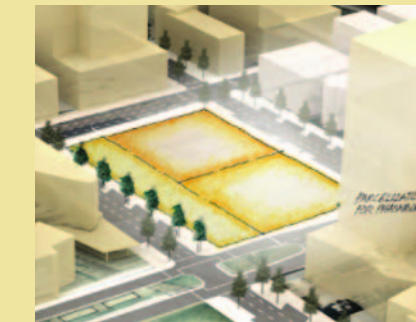
CarrierJohnson + Culture

A Network of Urban Spaces

We believe collisions of diverse people stimulate creativity. So, we are suggesting that the public realm be infused with a network of parks in a variety of sizes and shapes, an urban trail system that encourages strolling, and multiple plazas that allow for the casual encounter. This system of open spaces will provide the framework to create a unique downtown destination. To begin, the implementation of the East Village Green and future linear parks along existing fault lines will provide the open space "armature." This will reinforce the connection of the I.D.E.A. District to other downtown districts, amenities, Balboa Park and the bayfront.

Connectivity

As the Fast Company quote underscores, we are witnessing a decline in automobile usage in many American cities. Untenable commute times, high gas prices, and transit options are combining to move people out of their cars. So, how do we best design a "transit and transportation plan" in a District that places a premium on human interaction? Flip the paradigm on its head and call it a "connectivity plan" with the emphasis on getting people into alternative forms of transportation and on the street as much as possible.

Techniques could include:

A shared parking solution underneath the East Village Green
By placing a commercial parking reservoir in a central location (and out of sight), we facilitate utilization of nearby transit and encourage the connections that occur in the pedestrian realm.

Traffic calming on F and G Streets
Reducing traffic speeds on these two streets is critical to establishing safety and walkability in the District. Landscaped medians, bulbouts, decorative crosswalks, and an enclosure of street trees can all be utilized to connect the East Village Green to the surrounding uses.

Circulator/bike share/carshare programs
The Downtown San Diego Partnership's initiative to bring rubber-tired circulators (similar to LA's DASH) fits perfectly with our approach. Also, Washington, DC and Montreal have recently introduced very successful bike share programs that reduce car trips, congestion, and improve health. With San Diego's near perfect biking weather year-round, imagine what we can accomplish.

"Traffic engineers need to fundamentally change their traffic models and their assumption that increasing road capacity is their main raison d'être.....peak car use will generate a growing rationale for removal of high capacity roads and conversion of space to support transit, walking and cycling and the urbanism of the new city."

Fast Company, July, 2011

Community and the Social Realm

Serendipity cannot be planned—but it can be facilitated—and this is our aim. To foster an innovation ecology that goes beyond physical spaces, we will orchestrate and enable social and digital connections. Ideally, this capability will allow for instantaneous virtual and physical linkages with other members of the community.

imagine:

You get a tweet at noon that the visiting "star" furniture designer from Milan is previewing his fall collection over beers at the watering hole.

Or this: You are grappling with a particularly sticky challenge that requires additional expertise. Post the problem on the "OPEN I.D.E.A." Web site and see what other creative minds can bring.

Need a particular skill set to flesh out your project team or respond to an RFP? Again, the resources of the larger community can be accessed via a community digital bulletin board.

These ideas will be accomplished with a District-wide WiFi system and the smartest digital infrastructure on the planet. Also, high definition media screens will be artfully incorporated into multiple locations in the District to allow for uses ranging from impromptu brainstorming sessions to platforms for the extraordinary creative talents of the inhabitants. Key techniques include:

1. Utilize interactive digital media to provide seamless communication and animate the public spaces;
2. Incorporate a funding mechanism to ensure vibrant programming;
3. Leverage best practices from other successful public-private partnerships and BID's like Little Italy in San Diego, Bryant Park in New York, and Millennium Park in Chicago, among others;
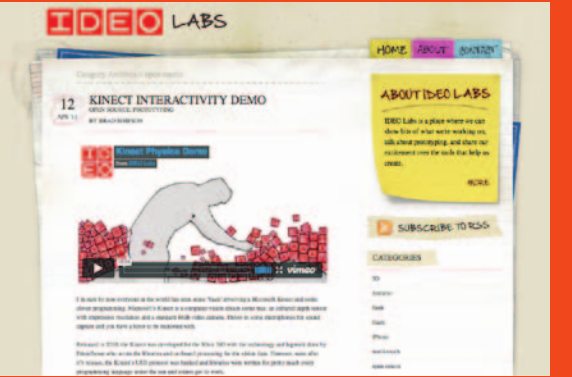4. Use social and online media to invite tenants, residents, citizens and students into the conversation.

From New York City to Volkswagen, a few examples of how crowd-sourcing is being used to innovate everything from better health to more livable cities.

www.urbandesignweek.org

www.thefuntheory.com

http://labs.ideo.com/category/open-source

CATALYTIC PROJECTS

### NewSchool for Architecture and Design

A new urban campus of NSAD is a crucial driver of the I.D.E.A. District. Not only will it house over 1,000 students who are passionate about design, it will also be home to leading designers and teachers from around the globe who will utilize the campus as their base. The form of the building will hopefully express the limitless potential for design to inspire creativity in the urban realm.

From left to right, top to bottom: *Umea School of Architecture,* Sweden; *Ryerson University,* Toronto, Canada; *National Ballet School,* London, U.K.; *Jaqua Center,* University of Oregon
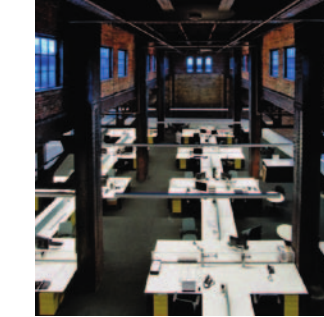
Design Studios/Office + Incubator

Establishing the desirability of the District to the design community is a critical success factor and needs to be a phase one priority. Also, the essence of the I.D.E.A. District is the generation and nurturing of new products, services and solutions that perfectly combines design and technology. So, the incubator component of the building provides the setting and the support for these "hatchling" concepts to mature into robust, commercially viable businesses.

East Village Green

Great neighborhoods have great parks. The special character of the I.D.E.A. District demands an especially creative approach to fashioning this community gathering space. The interim use of the West Block also presents the opportunity for experimentation and discovery about what kinds of uses will most resonate with District inhabitants.

ArtsBLOK

The full-time presence of working artists, supported by studio and gallery space are key enrichment elements of the District. A full block dedicated to providing these uses—including low-cost artist housing and studio space, community gallery and private collector museum, café and artist supply store—is a defining component of the I.D.E.A. District.

High Design High

Fostering a pipeline of well-trained and passionate designers will be one of the keys to successfully establishing the I.D.E.A. District. This is talent we need to develop from an early age. This charter school—borrowing from the highly successful DASH School in Miami's Design District and our own High Tech High—will utilize art, design and architecture to prepare students for a world that places ever more value on creative design thinking.

SECTION 4 ECONOMIC ANALYSIS

The intentional creation of a design jobs cluster in the I.D.E.A. District can transform the Upper East Village from its current status as an economic underperformer into a robust local economy that has the potential to employ thousands of high-paying professionals. We believe that with alignment and focused effort on the part of all stakeholders, this vision can be achieved in 12 years or less.

A DESIGN FOR ECONOMIC VITALITY

Without a strategic framework for development, the East Village (and the I.D.E.A. District in particular) will follow the organic pattern of other redevelopment in downtown with the construction of additional for-sale and rental housing and neighborhood-level services and amenities. In other words, the live and play, but not the "work." We assume that buildout under this scenario would require 20 years. There is a vast difference in both job creation and revenue to the city between a proactive economic development approach and the second which lets nature take its course.

Risks to "Doing Nothing"

A failure to act proactively also jeopardizes the retention of institutions and businesses already in the area. In the 2007 white paper on Leveraging Anchor Institutions, CEOs for Cities states, "Universities, community colleges, museums, libraries, municipal enterprises, hospitals, parks, performing arts centers and sports arenas are all included in the array of institutions that can contribute to the culture, economy and vitality of cities...they represent "sticky capital" in cities. They cannot easily pick up and leave the community. So they have special importance to the

re-making of a city and its future ... therefore they have special reason to want to be instrumental in shaping their city's future."[1]

We assert, and this economic analysis will demonstrate, that there is significant upside to the city in growing a downtown jobs cluster that specifically targets employees who are already pre-disposed to be residents of an urban area. While the main economic performance criteria for the I.D.E.A. District is the increase in employment in the

Quick Facts
93 acres
35 city blocks

The Potential:
3.3 million sq. ft. office/studio
2.7 million sq. ft. residential
340,000 sq. ft. retail
340,000 sq. ft. hotel
13,000 total new jobs
10,500 high-paying design jobs
$20+ million in incremental revenue

high-paying sectors of the design economy, the sustainability benefits of reducing commute time and increasing downtown livability are no less real, albeit harder to quantify. Secondary indicators are the economic value added and increased revenues to local government from the greater velocity of development in the I.D.E.A. District versus the business as usual scenario.

Summary of Fiscal Impact

The current level of employment in the IDEA district is estimated to be 1,367 jobs. At build out the total employment will be 13,028 jobs[2] of which 10,697 are design jobs based on one job per 225 sq. ft. of office/studio space. This equates to an increase of approximately ten times the existing number of jobs today. Additionally, this buildout will translate into nearly $21 million[3] per year in net revenues to the city.

Job Creation:
- New Design cluster jobs: 10,697[4]
- New retail and hotel jobs: 776[5]
- New jobs to support additional area residents/businesses: 1,555[6]

Revenues:
- $22.6 million per year in property tax revenue
- $8.14 million per year in additional sales tax revenue
    - $930,000 to San Diego General Fund
- $883,834 in TOT
- $386,856 in Other Revenues
- TOTAL: $24.8 million per year in total revenue to city

Expenses
- $4 million in additional expenses
    (Based on avg. cost function of $530 per resident & $185 per employee)

Net Benefit
- $20.8 million in revenue per year
- Far exceeds current revenue of $2.7 million

Land Use Plan

The conceptual land plan for the I.D.E.A. District is based on the goal of creating a vibrant and sustainable mixed-use urban neighborhood where employment is the major economic engine. Therefore, 50% of the total allowable square footage (assuming an overall density of 5 F.A.R.) is allocated to office/studio uses. Of the balance, 40% assumed to be residential (with an even split between for-sale and for-rent, plus 10% affordable and 5% student housing), and 5% each for retail and hotel uses. The following table describes the proposed uses and densities required for an optimal design jobs-driven district.

NAME	OFFICE	RES-APT	RES-CONDO	RES-AFFORDABLE	RES-STUDENT	HOTEL	RETAIL
LAND USE PLAN: IDEA DISTRICT							
Project %	50.0%	16.8%	16.0%	4.8%	2.4%	5.0%	5.0%
Land Sq. ft.	676,269	227,226	216,406	64,922	32,461	67,627	67,627
FAR	5	5	5	5	5	5	5
Gross Sq. ft. Building	3,381,345	1,136,132	1,082,030	324,609	162,305	338,135	338,135
Net rentable space at 85%	2,874,143	965,712	919,726	275,918	137,959	287,414	287,414
Less Existing	(200,000)						
Total Rentable Sq. ft.	2,674,143	965,712	919,726	275,918	137,959	287,414	287,414
Occupied Sq. ft.	2,406,729	917,427	873,740	262,122	131,061		258,673
Unit size		800	1,100	700	800	1,000	1,500
Units		1,207	836	394	172	287	192
JOBS	**10,697**	**610**	**658**	**199**	**87.16**	**201**	**575**
TOTAL JOBS	**13,028**						

Proposed Development Timeline

The buildout of the I.D.E.A. District will occur in roughly four phases over the period of 12 years. The timeline shows the proposed schedule of completion. The first phase, requiring one year of design/planning and two years of construction, will consist of:

- 150,000 sq. ft. studio/office building including a 30,000 sq. ft. design incubator
- 130 student housing units
- 140 apartments
- 200,000 sq. ft. urban campus for the New School of Architecture and Design
- Five-acre park that will serve as the cultural and social center of the district

IDEA DISTRICT: 12 YEARS

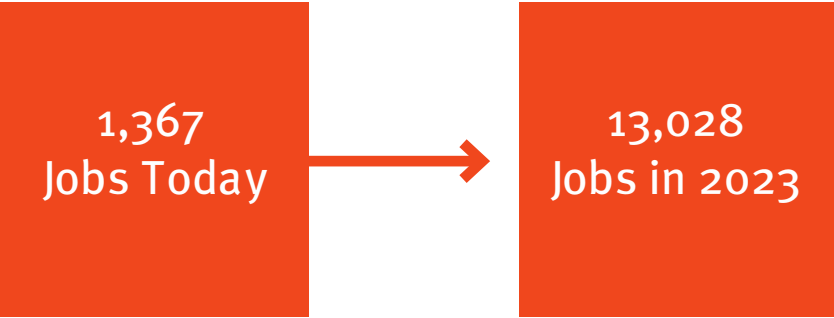| 2012 2013 2014		2015 2016 2017		2018 2019 2020		2021 2022 2023		
PHASE 1		**PHASE 2**		**PHASE 3**		**PHASE 4**		**TOTAL**
	Sq. ft.		Sq. ft.		Sq. ft.		Sq. ft.	Sq. ft.
RESIDENTIAL	254,800	RESIDENTIAL	652,726	RESIDENTIAL	1,082,030	RESIDENTIAL	715,520	2,705,076
OFFICE	348,500	OFFICE	682,776	OFFICE	1,014,404	OFFICE	1,335,665	3,381,345
PARK	5 a.c.	RETAIL	67,627	RETAIL	101,440	RETAIL	169,067	338,135
		HOTEL		HOTEL	169,067	HOTEL	169,067	338,135

Job Creation Analysis

Job creation in the I.D.E.A. District will occur in four ways:

1. Targeting design firms within San Diego as identified in Section Two.

2. Recruit new design firms to relocate to San Diego and specifically the I.D.E.A. District to further their creative and business potential.

3. Internal growth of these businesses, along with those that service these companies or are attracted to a creative and vital urban environment.

4. New companies coming to market as a result of the design incubator and other entrepreneurial efforts (as seen in the bio-med cluster near UCSD).

Taken together, this accounts for the 10,500+ design jobs we're projecting for the District—a nearly 60% increase over the number of design jobs in San Diego today. This will create nearly $680 million in employee wages each year.[7]

To support and serve this new community of design professionals, a significant number of retail and hotel facilities will be necessary and nearly 776 new jobs will be created to meet that demand. Retail and hotel employees will earn approximately $43 million per year.[8]

Additionally for every housing unit built and occupied there is an incremental need for workers to serve those households. Based on the IMPLAN model, jobs are generated by increased demand for things such as supermarkets, banks, accountants, contractors etc. In the I.D.E.A. District this will equate to an additional 1,555 jobs or roughly $86.6 million in annual wages.[9]

"Sometimes such a great idea is foisted upon us that one feels terrible that you didn't think of it first."

Gary London, President, The London Group

1,367 Jobs Today → **13,028 Jobs in 2023**

I.D.E.A. District Jobs Growth

IMPLAN Multipliers

Jobs Generated per 100 Units

	SINGLE FAMILY	TOWNHOME	LOW DENSITY CONDOMINIUM	HIGHER DENSITY CONDOMINIUM	GARDEN APARTMENTS	STACKED FLAT APARTMENTS
Gross Household Income	$155,000	$91,000	$105,000	$134,000	$68,300	$83,600
Total Jobs Generated	89.7	57.9	64.9	82.9	42.6	53.2

Fiscal Impact

The fiscal impact of the I.D.E.A. District to the City of San Diego is determined by analyzing all revenues and expenses to determine net benefit.

Revenue

Revenue is collected from many sources including property tax, transfer tax, TOT, sales tax, business licenses, and other miscellaneous fees. The following table describes the majority of taxes and fees.[10]

REVENUE

Property tax	1.1050%
Transfer tax	0.1100%
TOT	10.50%
Sales	1.0% City
Business License tax:	
Per business	$35.00/$125
Per employee	$5.00

Expenses

For each additional employee and resident of the I.D.E.A. District there is an incremental cost to the city for public services. These include streets, police, fire, parks, and administrative costs. These costs can be calculated on an average cost per person per year. For the purposes of this report we estimate the cost to be $ 530/yr for residents and $185.5/yr for employees living outside the district.   In addition we have reduced the number of employees by 20% to account for those people who live and work in the district.[11]

YEARLY EXPENSES

Avg $ year	$530.00
Residents	3,915
Resident Expense	$2,074,848
Employees	13,028
Resident Employees	2,606
Non resident	10,422
Avg $ year	$185.50
Employees expense	$1,933,286
Total Expense	$ 4,008,133

Tax Increment

It is also important to determine the "tax increment" or the difference between the current assessed value of real estate in the district and the value of the property in the district after buildout is complete. This figure helps to determine the potential amount of bonds that can be raised to aid development in the form of infrastructure, parks, etc., as well as fund schools and public safety.

Based on 2011 records from the San Diego County Assessor's office the current value of the property in the IDEA district is $224 million and the revenue is $2.479 million per year.[12] At buildout the value of the property is expected to surpass $2 billion dollars[13] with yearly revenue of $22.6 million. This creates an annual tax increment of approximately $20 million.

Transient Occupancy Tax

The Transient occupancy tax or TOT is the revenue created from visitors staying overnight in the IDEA district in hotels and motels. The TOT is calculated based on the average daily rental rate of $129 and the average vacancy rate of 62%. The city of San Diego's TOT rate is 10.5% daily.[14] The total annual receipts are estimated to be $883,834.

Sales Tax

Sales tax is calculated by factoring the average sales that take place per square foot of retail space by the total amount of retail space available. In the case of the IDEA district there is approximately 287,000 sq. ft. of retail space. Sales are estimated at $350 psf[15] and the tax rate in the city is 8.75%. Retail sales within the hotels in the IDEA district are also included. Hotel retail sales are estimated to be 30% of the total hotel revenue.[16] This is approximately $2.5 million in yearly sales. The yearly sales tax revenue is expected to exceed $8.14 million. Of that amount 1% or approximately $930,000 will be directed to the city of San Diego for General Fund expenditures.

Business License Tax

Business licenses, rental unit taxes, and parking meter fees are sources of general fund revenue collected by the city of San Diego to cover expenses relating to the promotion of public safety. Currently these taxes and fees make up 2.9% of the General Fund revenue.[17] Business taxes are levied on all businesses that operate within San Diego city limits and are calculated based on the number of employees. Businesses with 12 or less employees pay a flat tax of $34 per year and those with more than 12 employees pay $125 per year plus $5 per employee. For the purposes of this analysis we have limited our review to the additional business license fees generated by the I.D.E.A. district as this area is intended to generate a significant number of jobs.

Based on the creation of 13,028 new jobs in the IDEA district the additional revenue from business licenses is approximately $65,138. This is determined by averaging the large and small business cost per employee and multiplying that by the total number of new jobs to the I.D.E.A. district.

Real Estate Values

Current Real Estate values have been compiled using recently sold properties to create a complete market analysis. We have included the current and projected price, occupancy, turnover and lease rates for the subject area.

Residential Housing

San Diego's housing ordinance requires that all new residential projects must meet or exceed the existing guidelines of at least 10% affordable housing.

The following are the average recent comparable sales for residential properties within the current I.D.E.A. boundaries as well as comps within other downtown neighborhoods provided in the addendum of this document. As you will see the average price per square foot of $271

in the current Upper East Village area is significantly lower than the $381 psf in other more desirable areas of downtown.[18] Once the I.D.E.A. district is built out the $ PSF is expected to be similar to Little Italy and/or Bankers Hill.

RESIDENTIAL- CURRENT IDEA DISTRICT

Avg size	989
$ psf	$ 271.50
Avg $	$ 274,586.00

RESIDENTIAL-DOWNTOWN: NON IDEA

avg size	1,074
$ psf	$ 381.48
Avg $	$ 428,741.00

In Summary

While it is easy to get lost in the numbers, the implications of this analysis are clear: a proactive plan to build a design jobs cluster in this location can produce significantly higher economic benefits, primarily in the form of high-paying jobs and related revenues, than allowing development to proceed in a reactive fashion. The intentional implementation of the I.D.E.A. District will not only increase the velocity of development, it will also modify the mix of uses in a way that strongly supports existing and new businesses by adding a much-needed jobs base.

ENDNOTES

[1] White paper, CEOs for Cities Leveraging Anchor Institutions for Urban Success, August 2007, Pg. 2

[2] SD County Tax Assessor; Minnesota IMPLAN group

[3] Estimated: See Economic Activity Exhibit

[4] Estimated at 225 sq. ft. office per employee

[5] Minnesota IMPLAN group; The London Group

[6] Minnesota IMPLAN group

[7] California Employment Development Dept., 2010

[8] California Employment Development Dept., 2010

[9] California Employment Development Dept., 2010

[10] City of San Diego Fiscal year 2010 Annual Budget

[11] Economics Research Associates

[12] San Diego County Assessor's Office http://arcc.co.san-diego.ca.us/default.aspx

[13] Estimated using Cushman & Wakefield Marketbeat 2010 Data and Cap rate projections

[14] City of San Diego Fiscal year 2010 Annual Budget

[15] The London Group

[16] Economics Research Associates

[17] City of San Diego Fiscal year 2010 Annual Budget

[18] Sandicor www.sandicor.com; Loopnet www.loopnet.com

SECTION 5 CASE STUDIES

Case studies present two distinct opportunities for learning: First, analyzing individual case studies provides specific examples and results. Second, comparing multiple case studies offers an insight into the commonalities and differences among projects. Learning from case studies, in both ways, provides a greater understanding of the key elements necessary to successfully create a design-based clusterin downtown San Diego, and helps shape our approach to the I.D.E.A. district.

COMMON TRAITS

Quality of Place

In addition to technology and talent, creative centers often have desirable local characteristics – attractive natural and built environments, a diverse mix of residents, and a vibrant, urban life. In particular, cities with higher levels of diversity tend to attract more creative people. It is important not to overstate the importance of quality of place; because, in and of itself, quality of place is rarely (if ever) solely responsible for engendering the cluster effect.

Cultivation of Human Capital

Creative centers are often places that have a high concentration of well-educated individuals with the ability to gain and retain skills. In almost all cases studied, the conscious, intentional decision to cultivate/attract human capital served as a catalyst for cluster formation/growth.

Government Involvement/Public Policies

Although cluster development may occur independent of significant government intervention, public policy often plays a key role in catalyzing initial growth, and then maintaining and augmenting cluster growth over time. At a broad level, government involvement facilitates projects by providing project funding, or by creating the necessary infrastructure for growth. At a more local scale, governments are able to provide entrepreneurs with assistance services ranging from reduced tax obligations, securing of loans, networking and business development.

Anchor Firms/Institutions

For almost all clusters, the role of anchor institutions such as universities, medical centers, performing arts complexes, significant corporate headquarters or public institutions as collaborating or mediating organizations proves to be important. Some organizations help catalyze innovative activities, while others actually emerge as part of the process. These anchor firms facilitate the exchange of information and foster joint actions that improve the overall business and creative environment.

Interconnection Between Government, Academic, and Private Institutions

Most creative communities grow near universities, where learning and industrial activity are woven into the local culture. Universities can become incubators for startup firms. They provide places where knowledge is created, where specialized research is cultivated, and where scientists and industries work together on product production. San Diego's biomedical and technology cluster adjacent to UCSD (our first case study) is clear evidence of this.

Availability of Venture Capital

A source of continuing investment in product development is essential to the growth of creative clusters—especially in design and R&D. To develop products in a creative process often takes a significant amount of time and money. During the time necessary for initial development, firms will depend on venture capital to underwrite initial costs.

1 | SAN DIEGO
BIOMEDICAL/RESEARCH & DEVELOPMENT

RELEVANCE:
San Diego is an archetypal example of economic clusters establishing, sustaining, and growing the local economy into a broad-based, diverse national hub of innovative industry expertise.

"San Diego's success is a story of how academia, local business and political interests have come together…"[1]

Weiping Wu, Associate Professor,
Virginia Commonwealth University

BEFORE:
San Diego has always offered an attractive physical environment. The weather is near perfect and the region has numerous recreational amenities. Through the 1950s, San Diego's economy was dominated by the military, defense contractors, real estate, and tourism. Some research institutions (later to become crucial components of San Diego's cluster emergence) The Scripps Institute of Oceanography, The Scripps Research Institute, and General Atomics, also existed.

CATALYSTS:
In the early 1960s, San Diego business leaders recruited two research and teaching institutions—The Salk Institute for Biological Studies, and The University of California—to (re)locate just north of La Jolla on a defunct Marine base. To accommodate growth, the city of San Diego zoned the land favorably for R&D uses.[2]

KEY ELEMENTS:

Quality of Place: San Diego's attractive natural environment and the region's entrepreneurial business climate have proven to be important factors in attracting human capital.

Interdisciplinary Approach: Open communication between private companies, university and research centers, and academic students, results in a productive, synergistic environment. Each discipline informs the next in a cycle of creativity, development, and invention within the cluster.

Success Of Anchor Firm/Tenant: Hybritech played a leadership role by demonstrating the viability of biotech R&D industries in San Diego. In addition, the company's success at the application of biotech uses spread to other firms and to the community as a whole.[3] Spinoffs by former Hybritech employees also gave rise to a core of local venture capitalists looking to capitalize on biotech startups.[4]

Development Of Social Networks: CONNECT was formed in 1985 to "link inventors and entrepreneurs with the resources they need for commercialization of products."[5] It has since assisted in the formation and development of more than 2,000 companies and has been mirrored in almost 40 regions around the world.[6]

Development of Human Capital: Research and educational institutions provide the cluster with a well-trained, creative workforce which is educated by both professional and pedagogical inputs. They also provide cutting-edge, innovative information to sustain the cluster's competitive advantage. Additionally, these institutions facilitate interaction with government/regulatory bodies to ensure that infrastructure and public policy issues are addressed favorably.

PROFILES

	QUALCOMM	HYBRITECH
Founder	Irwin Jacobs, Andrew Viterbi	Ivor Royston, Howard Birndorf
Previous	Academic: UCSD & UCLA	Academic: UCSD
Result	Private Company: Founded Linkabit, the Qualcomm. Qualcomm became a Fortune 500 company 15 years after inception.	Private Company: Founded Hybritech. Capitalized on academic discovery of monoclonal antibodies. Allows for identification and diagnosis of cancer-related diseases.

DISTRIBUTIONS

CATEGORY	NUMBER OF BUSINESSES
Research Institutes	75
IT, Wireless, Comm., Software	1,900
Biomed and Life Sciences	600
Clean Tech	250
Action and Sport Innovation	600
Defense and Transportation	260
Convergence Clusters	
Convergence Research Institutes	10
Mobile Health Companies	50
Genomics and Bioinformatics	75
Cyber Security	75
Biofuels, Solar Energy, Energy Storage	240

Information courtesy of: http://www.connect.org/about/

IMPACT:

› The development of Biomed R&D clusters has reduced San Diego's reliance on tourism and military/defense spending.

› San Diego has nearly 6,000 technology companies today, employing nearly 140,000 people.[7]

› Technology companies represent 6% of the region's employers and pay 90% more than the average salary. This is approximately 25% of region's wages.[8]

› Patents per worker have grown to more than 2× the national average.[9]

› Venture capital funding is more than 3× the national average.[10]

› In 40 years, UCSD has emerged as the 5th university in the nation for R&D funding.[11]

2

SINGAPORE
DESIGN/IDEAS-DRIVEN ECONOMY

"Design Singapore has done a terrific job thus far in accelerating design from near zero to 100 km/hr...In an amazingly short time, you have brought Singapore parallel with nations that have centuries of design heritage."

Arnold Wasserman, Chairman,
The Idea Factory

RELEVANCE:

Singapore demonstrates how investing in human capital—with a particular emphasis on design and the cluster effect—can stimulate job growth and economic strength over time.

BEFORE:

In the early 1960s, Singapore was a small nation, with no national resources and only 1.6 million residents, but was growing quickly.[12]

CATALYSTS:

1960s: Economic plans sought to develop human capital through education. They were effective: Unemployment decreased from 10% in the 1960s to 3.5% in the late 1970s and skilled employed as a share of total employment doubled from 11% in the 1970s to 22% in the mid-80s.[13]

1980s: Singapore's Economic Development Board (EDB) focused on implementing creative clusters based around technology, science, skills, and knowledge. This "creative economy" approach provided quality of life for residents and attracted tourists as well.

2000s: The DesignSingapore Council (DSG) was established to "promote and leverage design excellence as a key driver of national competitiveness and creativity in an ideas-driven economy."[14]

KEY ELEMENTS:

Government Support: Formation of government policy and financial support facilitates creative industry growth.

Comprehensive Strategy For Implementation: Preliminary experimentation to determine strengths and potential in the design sector were followed by specific implementation strategies to:

• Increase capabilities of designers
• Increase appreciation and demand for design
• Establish a design culture
• Inspire creativity in design and future development
• Create a design festival for integrated design development and promotion

IMPACT:

› Vaule-added contributions to the national economy from creative clusters increase at a faster rate (7.5%) than the national average (5%).

› Employment increases at a faster rate (6.9%) than the national average (5.2%).

› Between 2002 and 2009, the value-added contribution of Singapore's creative industries grew at 6% annually.[15] The VA contribution is expected to more than double in the first 12 years of DSG's existence.

› Singapore's growth competitiveness index ranking increased from 10th to 6th.

› Singapore's design competitiveness ranking increased from 22nd to 16th.

3 SEOUL, KOREA
CREATIVE/KNOWLEDGE-BASED INDUSTRIES

RELEVANCE:
Seoul demonstrates how investment in creativity and knowledge-based service industries can stimulate urban economic growth. In particular, Seoul shows the value that design offers to a broader, national economy.

BEFORE:
In the post-war 1960s, Korea's government focused on an export-oriented industrialization policy. Although impressive growth occurred, the economy became increasingly tied to the global market, which led to uncertainties of Seoul's export economy being undercut by manufacturing competitors in other countries.[16]

CATALYSTS:
To offset its slipping foothold in the export economy, South Korea shifted its focus away from manufacturing towards high-tech production.

Seoul city government played a major role in helping the city to enact this transition. They pursued an industrial policy known as the Creative Industry Promotion Program and focused on knowledge-based industries as the

engine for growth. Six industries were specified: tourism, design and fashion, digital content, conventions, research and development in technology, and financial and business services.

The Seoul Design Foundation was created in 2008 to specifically promote the design industry. The Design Foundation is charged with multiple responsibilities: supporting start-up design entrepreneurs, operation of Dongdaemun Design Plaza, organizing design events, design development promotion, supporting small design firms, and supporting design promotion through marketing.

Promote Design Clusters: Specific cluster areas were established within the city and specifically aligned with existing infrastructure/facilities such as businesses in place, universities, and research institutions.

Consolidate Design Infrastructure: Design support centers and design studios served to consolidate and support the industry by facilitating the growth of a design culture. Design support centers "integrated, invigorated and promoted the market design industries, and now function as a community for design companies to exchange information and build networks to create more business opportunities and boost economic growth."[17]

Marketing Support: Government agencies, such as the Seoul Design Foundation, provide support to emerging design industries. These agencies focus on three primary functions: 1) Assist design companies in turning design ideas into products which then enhances market value and global competitiveness of Korean products, 2) Sponsor International exhibitions; and 3) Provide awards for outstanding design products and supporting them through marketing/promotion.[18]

Design Training: Aspiring designers are provided support through marketing and consulting activities.

Collaboration Between Government And Leading Conglomerates: Through government involvement and guidance, research and development efforts are accelerated, products are brought to market more quickly, and innovative approaches are established. For example: Three major Korean semiconductor producers were making redundant investments. The government stepped in with a specific goal of producing a next generation memory chip. By pooling their resources, the government and private industries laid the groundwork for a chip that became the world market leader just a few years later.[19]

4

SAN FRANCISCO BAY AREA
NEW/DIGITAL MEDIA

RELEVANCE:

The Bay Area is an archetypal example of the synergy that occurs when multiple economic clusters interact. In particular, it shows how industries are enhanced through competition and cooperation.

BEFORE:

Silicon Valley has been a Bay Area staple for electronics development since the early 1900s. In the 1950s an agglomeration economy surrounding the electronics industry and local educational/research institutions was formed. Industries served as leaders in establishing the technological, financial, corporate, and human resources infrastructure necessary to form a cluster in the Bay Area.[26]

CATALYSTS:

Three key factors influenced the rise of the 'Multimedia Gulch' in San Francisco's South of Market ‹SOMA› district. First, an emerging trend for home video games and computer-generated graphics in the 1970s and 80s.[27] Second, conversions in the SOMA district turned defunct light industrial factories into affordable live-work lofts for artists. Third, start-up companies (Macromedia and Adobe) chose to open shops due to attractive living options and availability of space. In less than ten years, a full community of game developers, designers, actors, and musicians developed—a creative economy which thrived due to its urban location.

KEY ELEMENTS:

Quality Of Life: The same lifestyle which attracted the Silicon Valley industry cluster attracts those in the tech and new media clusters. The San Francisco Bay Area consistently ranks at the top of national quality of life, health, recreation, transportation and culture indexes.

Industry Leading Companies: The Bay Area new/digital media cluster is home to front-runners in the industry. Core companies—like Macromedia and Adobe—provide credibility to other industries within the cluster. Additionally, these companies further the 'cluster effect' by allowing a large community of early-adopting users to use industry leading products, before counterparts in other regions— thereby establishing competitive industry advantage within the area.

Cross Fertilization: New technology is a 'fusion technology' that involves the integration of several different industries. The existence of technology companies, content providers, and specialized communication infrastructure, allows for the growth of each independently and in combination.[28]

Entrepreneurial/Creative Approach: An entrepreneurial ethic within the Bay Area allows for the conceptualization and establishment of new businesses and industries where they do not exist today. Additionally, the existence of creative talent within the Bay Area, (and the absence of a traditional media cluster to employ this talent) created an opportunity for emerging talent to work within the new media industry, thereby furthering product development and creating "compelling new experiences."[29, 30]

Government Economic Approach: Since the late 1990s, Bay Area policy makers have been increasingly focused on expanding agglomeration economies beyond Silicon Valley to the broader Bay Area region as a whole. This approach allows knowledge to spread regionally, but also stay within area, as opposed to jumping overseas, which limits the benefit of the cluster effect.[31]

Establishment Of Support Services: The Bay Area enjoys a well-established system of support services. These allow entrepreneurs to conceive, develop, and successfully operate their enterprises. The support services include network/ training organizations, incubators, financial assistance sources and private investors.[32]

Availability Of Venture Capital: The San Francisco Bay area offers a wealth of venture capital opportunities for entrepreneurs. Industries in the area receive nearly one-third of all US venture capital annually.[33]

5 | 22@BARCELONA
MULTI-INDUSTRY INNOVATION DISTRICT

RELEVANCE:
Barcelona, Spain shares many physical and cultural traits with San Diego. The 22@Barcelona District is an example of how concentrating knowledge-based activities can transform an underutilized area into a high-quality living, working, and learning environment.

BEFORE:
22@Barcelona is located within Barcelona's Poblenou neighborhood, a sub district of the San Martin District which spans the entire south eastern quadrant of Barcelona. Poblenou was historically an industrial neighborhood. For over 100 years, it served as the primary economic driver for the city of Barcelona and province of Catalonia.[39] As a result of significant de-industrialization between the 1960s and 1990s, Poblenou lost more than 1,300 industrial users. Individual buildings, and the neighborhood as a whole, were degraded and abandoned. This was exacerbated by the fact that railways and other transit systems, once used for transportation of industrial goods, separated the neighborhood from the rest of the city.

CATALYSTS:
1992: The Summer Olympic Games were the primary catalyst for revitalizing the Poblenou neighborhood, which would later include the 22@Barcelona district. Funding allocated to infrastructure allowed for new roads and connections that linked the once-isolated district to the port, airport, and beaches. Additionally, a direct connection was established between Poblenou and the business core of the city.

2000: Barcelona's civic leaders amended the Metropolitan Master Plan to include refurbishment of industrial lands within Poblenou. This provided the implementation strategy and approach necessary for successful revitalization. Today this is known as the 22@ Plan.

KEY ELEMENTS:

Connection To Downtown/Business Core: Roads and transit connections allow residents/users of the once-isolated district to travel between the established city cores the new district with ease.

Focus On Key Sectors: Innovative, complementary, and future-based sectors are targeted such as media, ITC, MeTech, energy, and design.

Visionary Land Use Approach: Incentives are focused on maintaining jobs within the district – replacing industrial activity with offices or other businesses services. In this way, land owners are encouraged to update obsolete historic urban planning elements while maintaining economic activity within the neighborhood. Without this approach— simply rezoning from industrial to residential—maintaining jobs in the neighborhood would not have occurred.

Creation Of Cluster Infrastructure: Several projects focused on attracting universities and educational centers, creating spaces for small and medium-sized businesses, creating business incubators, building residences for professionals, providing access to services such as venture capital and networking.

Development Of Social Networks: 22@Network was formed to facilitate the integration of companies and institutions within the district. They serve to enhance communication between companies and employees and thereby enhance the social fabric of the district and city as a whole.

Dedicated Efforts To Promote District: 22@Barcelona Company is an agent for economic development within the district by facilitating innovation. It assists businesses by attracting and retaining talent, as well as marketing the district's business, science, and teaching activities to a national and international market.

IMPACT:

› Over 67% of vertical improvements within the district have commenced, implemented through 110 improvement plans.

› 74 of the 110 plans, (582,880 square meters) are organized by the private sector.

› Over 2,824,709 square meters of land obtained for new production facilities, social housing, and technical services.

› 1,502 new firms established

› More than 44,600 new workers in the district.

6 ARABIANRANTA HELSINKI, FINLAND
DESIGN-INSPIRED DISTRICT

RELEVANCE:

On a smaller scale, Arabianranta demonstrates how design, creativity, and innovation can combine to create a sense of place within a district.

BEFORE:

The 210-acre district was once an industrial center. The district is named for one of the primary users—Arabia ceramics and glassware—which operated in the area since 1874. When Arabia vacated the site/factory, the area was overtaken by homeless.[40]

CATALYSTS:

In the 1980s, the city of Helsinki focused on using underutilized shoreline to create housing opportunities. In 1984 the University of Art and Design Helsinki (UADH) moved into the historic Arabia ceramics factory. The designation of Arabianranta as a redevelopment area and the subsequent creation of a detailed local plan catalyzed redevelopment.[41]

KEY ELEMENTS:

Anchoring Institution: The UADH Helsinki is an anchor tenant which activates the historic factory structure, creates a diversity of uses, and infuses design talent/ ethos into the district.

Knowledge Based Infrastructure: Educational institutions, music conservatories, and business centers supplement the UADH Helsinki.[42] The combination of these institutions provides resources for cultural, creative, and intellectual growth within the district.

Design Process And Physical Environment: The project draws on Finland's design aesthetic, the existing factory's architecture, urban design strategies, public art, and open spaces as primary drivers for site planning. To satisfy community concerns, designers constructed full-scale building models to study the designs in-situ.[43] The buildings serve as a physical embodiment of the district's design ethic.

IMPACT:

> 10,000 Residents, 5,000 Jobs[44]

> 300 creative industries with 4,000 employees[45]

> 6 Schools, 6,000 Students[46]

> Extensive Fiber Optic Network created to connect residents. Supplements community gathering spaces to encourage interaction between residents

ENDNOTES

[1] Wu, Pg. 19

[2] Wolshok, Furtek, Lee, Winham. Pg. 32–33

[3] Wu, Pg. 20

[4] Wu, Pg. 20

[5] http://www.connect.org/about/

[6] http://www.connect.org/about/

[7] http://www.connect.org/about/

[8] http://www.connect.org/about/

[9] Wu, Pg. 19

[10] Wolshok, Furtek, Lee, Winham. Pg

[11] Wolshok, Furtek, Lee, Winham. Pg 32–33

[12] http://app.mti.gov.sg/default.asp?id=545

[13] http://app.mti.gov.sg/default.asp?id=545

[14] http://www.designsingapore.org/RunScript.asp?page=87&p=ASP\Pg87.asp

[15] GWEE, Pg 1-4

[16] http://www.urban-age.net/conferences/chicago/gmm/case-studies/

[17] http://www.seouldesign.or.kr/eng/design/summary.jsp

[18] http://www.seouldesign.or.kr/eng/design/summary.jsp

[19] http://www.urban-age.net/conferences/chicago/gmm/case-studies/

[20] http://www.koreabrand.net/en/know/know_view.do?CATE_CD=0008&SEQ=1729

[21] http://www.urban-age.net/conferences/chicago/gmm/case-studies/

[22] http://www.koreabrand.net/en/know/know_view.do?CATE_CD=0008&SEQ=1729

[23] http://www.koreabrand.net/en/know/know_view.do?CATE_CD=0008&SEQ=1729

[24] http://www.koreabrand.net/en/know/know_view.do?CATE_CD=0008&SEQ=1729

[25] http://www.urban-age.net/conferences/chicago/gmm/case-studies/

[26] New Media ClusterStrategy, ICF consulting pg 2

[27] Results of the Economic Base and Industry ClusterStudies, TechnologyTrade and Commerce Agency, pg. 69

[28] Results of the Economic Base and Industry ClusterStudies, TechnologyTrade and Commerce Agency, pg. 69

[29] Results of the Economic Base and Industry ClusterStudies, Technology Trade and Commerce Agency, pg. 69

[30] New Media ClusterStrategy, ICF consulting pg 2

[31] The Evolution of Knowledge Clusters, Huggins, pg279

[32] San Francisco Bay Area Resources for Entrepreneurs, pg 1.

[33] New Media ClusterStrategy, ICF consulting pg3

[34] Results of the Economic Base and IndustryClusterStudies, TechnologyTrade and Commerce Agency, pg. 62

[35] http://www.villageprofile.com/california/sanfrancisco/08/topic.htm

[36] Results of the Economic Base and Industry ClusterStudies, Technology Trade and Commerce Agency, pg. 62

[37] Results of the Economic Base and Industry ClusterStudies, TechnologyTrade and Commerce Agency, pg. 62

[38] http://www.villageprofile.com/california/sanfrancisco/08/topic.html

[39] http://www.22barcelona.com

[40] http://en.wikipedia.org/wiki/Arabianranta

[41] INTELLI, pg 4

[42] INTELLI, pg 5

[43] Sepe, pg 7

[44] http://www.arabianranta.fi/info/

[45] http://www.arabianranta.fi/info/

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SECTION 6 I.D.E.A. PARTNERS

"Two real estate entrepreneurs leading the way to create a place downtown to inspire and foster innovation."

—Malin Burnham, Chairman, Cushman & Wakefield

I.D.E.A. PARTNERS

Pete Garcia and David Malmuth

DAVID MALMUTH

David established his development firm in 2010 with a singular focus: creating art-inspired places that transform communities. This passion grows directly from the rebirth that occurred in Times Square and Hollywood as a result of his well-conceived and executed projects. In 2011, David and Pete Garcia formed I.D.E.A. Partners to lead the creation of the I.D.E.A. District (Innnovation+Design+Education+Arts) in downtown San Diego. This transformative initiative aims to create over 10,000 design jobs in the next 12 years.

Prior to starting his own firm, David was the founder and a Managing Director for seven years with RCLCO's Development Services Group. David drew upon his 25 years of experience in the development business, which included completion as principal developer of over $1 billion in high-profile projects, to assisting numerous clients in the planning and execution of mixed-use, entertainment, and waterfront developments.

Between 1996 and 2002, David was a Senior Vice-President at TrizecHahn Development Corporation. During his six-year tenure, he was the key project executive on Hollywood & Highland and the Kodak Theater in Hollywood, CA

(with architects Stan Eckstut and David Rockwell). During this same period, he initiated the development effort on Paseo Colorado in Pasadena, CA (also with Stan Eckstut).

Previous to his position at TrizecHahn, David was Vice-President/General Manager at Disney Development Company-West. During his nine years at The Walt Disney Company, he managed the development of over $200 million in projects including The Feature Animation Building in Burbank (with architect Robert Stern) and Disney Ice in Anaheim (with architect Frank Gehry).

From 1993 to 1996 he spearheaded Disney's restoration of the New Amsterdam Theater in New York (with architect Hugh Hardy) and the highly acclaimed development of additional retail/entertainment business on New York's famed 42nd Street.

Prior to joining The Walt Disney Company in 1988, David was a Vice-President at McCarthy Building Companies and was responsible for the start up of their successful Newport Beach, CA. office beginning in 1984.

Education

Master of Business Administration; Stanford University
Bachelor of Arts; Claremont McKenna College

Professional Affiliations

* Full Member of the Urban Land Institute (ULI) – Policy and Practice Committee, Jury for the ULI Awards for Excellence – Americas (2010-2012)

* Founding Board Member of Disney Goals, a non-profit entity that provides underserved Anaheim youth with positive options through sports, academic training, and community service.

Significant Projects

The New Amsterdam Theater, NY, NY

Led development and revitalization efforts for the $36 million New Amsterdam Theatre / Disney Store in New York, NY. This project led to the broader rebirth of 42nd Street accomplished by the 42nd Street Development Project Inc. (a joint city-state agency) and numerous private entities including AMC Theaters and Madame Tussaud's.

Hollywood and Highland, Hollywood, CA

Project executive on Hollywood & Highland, a $615 million retail / entertainment / hotel complex. The mix includes 360,000 sq. ft. of fashion retail and 11 restaurants, a six-plex addition to the adjacent Grauman's Chinese Theater, the 40,000 sq. ft. Grand Ballroom operated by Wolfgang Puck Catering, the 640-room Hollywood Renaissance Hotel, and the 3600-seat Kodak Theatre, home to the Academy Awards.®

Paseo Colorado, Pasadena, CA

Led the effort in the reimagining and development of a failed mall on Pasadena's main street, Colorado Blvd., into a successful mixed-use project with 450,000 sq. ft. of upscale retail, restaurants and a 16-screen cinema,

391 luxury rental units (developed by Post Properties), and beautiful public spaces connecting the project to the City's historic core.

Second+pch, Long Beach, CA

Lead developer on a $362 million mixed-use development on a 10.9 acre marina-front site at the eastern gateway to the City. The project consists of 220,00 sq. ft. of upscale retail and restaurants, 325 for-sale residential units, a 100-key boutique hotel operated by Joie de Vivre, and cultural/ educational amenities including a 99-seat theater which will be the home of Cal Rep and a 4,000 sq. ft. Coastal Learning Center to be operated by the Marine Studies department at CSULB. The project is in the entitlements phase with Long Beach City Council approval anticipated in the summer of 2011 and Coastal Commission approval approximately one year later.

PETE GARCIA

Pete Garcia is a Principal in I.D.E.A Partners, together with David Malmuth—a development organization concentrating on the creation of the I.D.E.A. District—a unique urban, mixed-use project in downtown San Diego, California, focusing on Innovation, Design, Education, and the Arts. Prior to starting I.D.E.A. Partners, Pete spent an entire career as a builder, developer, and engineer of major public and private real estate projects throughout the United States, Mexico, and Costa Rica, including residential, commercial, retail, industrial, hospitality, manufacturing, research, educational, process, and infrastructure projects.

From 2005 to 2010 he consulted for several companies, including Walt Disney Imagineering, and EMCOR, a Fortune 500 company and one of the largest engineering/construction/facilities services companies in the US/Canada/UK.

From 1996 to 2005 he was President/CEO of University Mechanical & Engineering Contractors, a major engineering and construction company with over $150 million of yearly revenues and over 1,200 employees with individual design/build projects exceeding $50 million. Offices in San Diego, Los Angeles and Phoenix, Arizona.

From 1989 to 1996 he specialized in turnarounds of troubled companies and projects for institutional clients, including Portland General Electric, Hawaii's Bishop Estates, Catholic Health Care West, and as Federal Bankruptcy Trustee. For Portland General Electric in particular he helped develop, enhance and divest their real estate portfolio including holdings in residential, commercial and industrial properties over a period of five years.

From 1973 to 1989 he developed, built, designed, and bought/sold major real estate projects, including developing and building the first biopharmaceutical facility in San Diego for Hybritech.

And from 1969 to 1973 he worked for Exxon in Texas designing and building major process plants at the biggest refinery in the world.

Education

Bachelor degree in Industrial Engineering from the University of Florida

Professional Affiliations

- Past Vice-Chairman of the State of California Commission for Economic Development.

- Past Chairman of the San Diego Regional Economic Development Foundation.

- Member strategic roundtable of San Diego Regional Economic Development Corporation.

- Past Chairman and now Board member of AVID Center

- Member of San Diego State University Engineering Department Advisory Board

Significant Projects and Events

Development, Design and Construction of Hybritech

Led the team that developed, designed, and built the first biopharmaceutical facility in San Diego and one of the first ever. As the real estate venture capital entity we helped seed an industry, and many high-paying technology jobs in San Diego, given that most biopharmaceutical firms in San Diego spun out of Hybritech.

Developed/built/managed/enhanced/disposed a real estate portfolio for Portland General Electric

Led a team that, over a period of five years, exited Portland General Electric out of an ill-advised effort to become a major real estate developer in Portland, Oregon. Our team completed all projects under development, managed and enhanced the entire portfolio and sold all properties individually. This was a very large portfolio that included a master plan development with single-family residential homes, custom lots, condominiums, apartments, a neighborhood shopping center, and office buildings. Other projects in the portfolio included apartment complexes, retail, and retirement independent and assisted living.

Designed/built the Co-generation plants for University of California San Diego and San Diego State University

Led the company that designed and built the plants at both universities that generate all the electricity and steam for their entire campuses. These very complex, major projects were built without any interruption to the campuses, and the end results exceeded all expectations.

Built a major semiconductor plant in Costa Rica for Intel

Led the company that built and assisted in the design of a complex semiconductor plant in Costa Rica, shipping everything to that country in containers and built the plant utilizing unskilled local labor that we fully trained and supervised. The project was completed with first-world quality, schedule, safety, and third-world cost to the full satisfaction of Intel.

Published author, motion picture writer/producer, and painter

Published author of an award-winning novel. Wrote and produced an acclaimed motion picture, and his paintings are held by private, corporate, and institutional collectors throughout the US.

Immigrated alone to the US from Cuba at age 13

CREDITS

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The I.D.E.A. District

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