

**PUBLIC MEETING NOTICE**

The public can join the CEP Committee Meeting via the following options.

- Join in person at 401 B Street, Suite 100, San Diego, CA 92101.
- Join Zoom Meeting via Computer
  - ❖ <https://us02web.zoom.us/j/84388634884?pwd=ZEZIUeItZ3NKam5vbXp4ZG5nd0tnQT09>
  - ❖ Meeting ID: 843 8863 4884 / Password: 141674
- One tap mobile:
  - ❖ +16694449171,,84388634884# / Meeting ID: 843 8863 4884
- Dial in option:
  - ❖ +1 669 900 9128 / Meeting ID: 843 8863 4884
- CEP Committee Meeting packet can be found at <https://downtownsandiego.org/clean-and-safe/pbid-meetings-reports/>

**3:30 p.m. – CALL MEETING TO ORDER**

**Introductions/Non-Agenda Public Comment**

**Action Items | Sumeet Parekh**

- Approve Oct. 24, 2022 Minutes | ACTION
- Appoint Committee Member | ACTION
  - Amy Wall, Hines
- Appoint Committee Member | ACTION
  - Jeff Oesterblad, CBRE

**Chair Update | Sumeet Parekh**

- Guest Speaker: Joshua Ohl, CoStar
- Downtown Pulse

**President & CEO Update | Betsy Brennan**

**Staff Update | Sarah Brothers**

- Clean & Safe Services Report
- Ongoing Projects Update
- PBID Renewal Update

**Other Business | Sumeet Parekh**

**Next Meeting**

- April 19, 2023, at 3:30 p.m.

**ADJOURN**



**ACTION 1 – Approval of Meeting Minutes**  
Oct. 24, 2022

(Minutes included as attachments)

# Commercial Enhancement Program Meeting Minutes

Oct. 24, 2022

Virtual Meeting

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## Call to Order

- The meeting was called to order by Sumeet Parekh at 11 a.m.

## Non-Agenda Public Comment

- There was no non-agenda public comment.

## Roll Call

- The following CEP Committee Members were present: Sumeet Parekh, Betsy Brennan, Leah Volk, Jason Wood, Derek Hulse, David Calabrese.
- The following CEP Committee Members were not present: Ashley Chamberlayne, Jared Crowley, Ryan Grant.
- The following staff members were present: Sarah Brothers, Danielle Cobb, Taylor Stahl, Sean Warner, Ernesto Romo.
- No guests were present.
- No members of the public were present.

## Action Items

- Action: Approval of Minutes: July 20, 2022
  - Motion: Derek Hulse
  - Second: Sumeet Parekh
  - Passed or Failed: Passed

## Chair Update

- Sumeet Parekh shared a recent study from the University of Toronto's School of Cities that found that Downtown San Diego's recovery after quarantine is outpacing other major urban metros in North America.
- Sumeet Parekh shared information on the Los Angeles Times article Betsy will be included in on the topic of Downtown San Diego's recovery. He also shared sentiments from a Wall Street Journal article on how work from home dynamics are changing as more people are returning to the office nationwide.
- Sumeet Parekh invited Derek Hulse to provide an update on the Downtown office market.

- Derek Hulse shared that 1155 Island just signed its second life science tenant and other tenants are in the process. There's general optimism in the industry as more office deliveries take place.
- Derek Hulse provided an update that office space utilization is tracking around 50%. Tour activity has picked up compared to the last six months and even year over year. The west side of Downtown is seeing more interest than the East side.
- Derek Hulse also shared that asking rates are currently holding steady. Negotiating effective rents are going down, but it is still a competitive market for those looking for space. Activity is mostly for 10,000 sq ft and under. Seeing two trends – a reduction in office footprint and better-quality projects (those with amenity-rich space) are getting their fair share of activity. They will soon announce a new client coming into the market at 2100 Kettner.

### **President & CEO Update**

- Betsy Brennan provided an update on her involvement in the Civic Center Revitalization Committee and their current priorities soliciting community input.
- Betsy Brennan invited the CEP committee to attend the next Developer's Circle meeting. Please contact Sarah Brothers or Danielle Cobb to be added to the list.
- Betsy Brennan shared an update that UCSD has purchased an East Village residential building for faculty and staff that would use the Blue Line to commute.
- Betsy Brennan also provided an update on the state of homelessness Downtown and the Downtown San Diego Partnership's new advocacy platform that focuses on asks that will make an immediate impact on-the-ground for CEP properties and tenants. The new priorities will be shared in the next two weeks and committee member organizations will have an opportunity to be part of the advocacy coalition, should they choose.

### **Staff Update**

- Onboard Update
  - Taylor Stahl provided an update on the new Board and committee software, Onboard. This platform will be used for all Board and committee meetings moving forward. Sarah Brothers will send out instructions to call CEP committee members with information on how to access the platform and set up your account.
- CEP Services Update
  - Ernesto Romo provided an update on maintenance and safety services. He shared that from July to September 119 CEP property sidewalks have been power washed.

- Ernesto Romo also shared an update on the Grow Urban initiative and that a total of 355 trees have been planted Downtown since the program launched in 2019. The next tree planting event takes place on Oct. 29 and will focus on the East Village and Marina District. If CEP committee members are interested in supporting Grow Urban efforts, donations can be made [here](#).
- Updates on Projects Underway/The Year Ahead
  - Sarah Brothers shared that a refresh of the Downtown Demographic Study is currently underway. With help from our partners at the EDC and UCSD Extension, the refresh will feature an attitudinal survey in addition to an analysis and comparison to last year's data. The survey will be completed by January 2023.
  - Sarah Brothers shared an update that we have selected vendors for digital marketing, website, communications (newsletter and social media), and are seeking options to continue to get the word out about the demographics study/Innovation Center and other resources we have to promote Downtown.
  - Sarah provided an update on recent Innovation Center activity, including meetings with a national and international investor. CEP committee members were invited contact Sarah Brothers or Danielle Cobb to schedule a tour or receive a refresher on the data available.
- PBID Renewal Update
  - Sarah Brothers provided an update that we are developing a plan for the future of the CEP program that includes conservative growth that does not put unnecessary or unexpected burden on property owners.
- Strategic Planning Update
  - Sarah Brothers shared that an invite has been sent out to all CEP committee members to join our strategic planning consultant and the Downtown Partnership Developer's Circle for a guided discussion to provide observations and opinions on Downtown's future – what's next for Downtown, and how the Downtown Partnership can best respond to these challenges and opportunities. The event is on Wednesday, Nov. 9 from 3 – 4:30 p.m.

### **Other Business**

- Sumeet Parekh opened the floor for discussion about what committee members are seeing Downtown.
- Updates from CEP Committee members included:

- Jason wood shared an update on the Radian project. Glass is going up on the building and the crane is coming down by the end of the year. Project will deliver in June.
- Sumeet Parekh shared an update on breaking ground next year on a residential tower in Maker's Quarter.
- Sumeet Parekh shared a recent report from JLL that vacancy rates are still high among Class A and B.
- David Calabrese shared Regent Properties is doing a lot of events and offering incentives for people to get back in the office. They are seeing about 50% occupancy with rotating schedules. The biggest issue he is facing with their east portfolio is homelessness.
- David Calabrese shared that street level is the difference. The perception in the east portfolio is that there is a homelessness problem and it's uncomfortable for people.
- Sarah Brothers suggested hosting a broker event for CEP committee members and others in the industry in the beginning of the year to get them back into the market and to see what's available.
- Committee members are curious to hear why the life science tenants were attracted to 1155 Island as opposed to other places in the market. This can be a discussion item for the next meeting.

### **Adjourn**

- Sumeet Parekh adjourned the meeting at 11:47 a.m.

**ACTION 2 – Appoint Committee Members**

Amy Wall, Hines



Property manager at Procopio Tower at 525 B Street, approximately 450,000 SF of Class A office and retail space in Downtown San Diego.

## **ACTION 3 – Appoint Committee Members**

Jeff Oesterblad, CBRE



Jeff Oesterblad specializes in representing institutional landlords and corporate occupiers throughout San Diego County, with market focal points including Downtown, Mission Valley, I-15 Corridor and UTC. With over 15 years of multi-tenant office experience, Mr. Oesterblad has established himself as a market expert in assisting landlords and investors with all facets of space acquisition, lease analysis, disposition and overall real estate planning.

His partial client list includes: Casey Brown Company, Cruzan, DivcoWest, Gemini-Rosemont, Hammer Ventures, Hines, JPMorgan, Kearny Real Estate, Kilroy Realty, LaSalle Investment Management, Lionstone Investments, MetLife, Pendulum Property Partners, Peregrine Realty Partners, Price Charities, Regus (IWG plc), Rivendell Global, Rockwood Capital, Stockdale Capital Partners, Swift Real Estate Partners, and Westbrook Partners.

Prior to joining CBRE in early 2016, Mr. Oesterblad was an office leasing professional with the San Diego office of Cushman & Wakefield. During his tenure at C&W, he managed some of the premier commercial agency leasing teams in the County. Since 2007, Jeff has aided in the completion of over 20 million square feet of lease and sale transactions with considerations totaling in excess of \$5 billion.