

Startup

**Navid Alipour**

along with colleague Andreas Roell have launched a VC firm, Analytics Ventures. Using the Venture Studio model, the two are betting on tech companies dealing in data.

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Leadership

**Heather Foley**

has been named executive director of the Urban Land Institute's San Diego-Tijuana District Council. Foley is a former executive director of ULI's South Carolina chapter.

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The Lists

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SELLING SOLO

PHARMA: Orexigen Readies for Contrave's Make-or-Break Sales Push

■ By BRITTANY MEILING

Orexigen Therapeutics Inc. should stand among the elite in San Diego's life science community as one of the few local companies that has an approved drug on the market — and real revenue filling its coffers.

But a string of bad press and disappointing sales have brought the weight-loss drug company to a precarious position in the market, with the company's stock price plummeting nearly 90 percent in the last 12 months.

The latest blow to the company's share price occurred earlier this year when Orexigen announced that it was buying back the U.S. rights to its weight-loss drug, Contrave, from its former partner, **Takeda Pharmaceuticals Co. Ltd.** Orexigen's stock has fallen 32 percent since the news broke in March.

In its second-quarter investor call, Orexigen's CEO, **Michael Narachi**, detailed a fresh plan on how it would tackle commercialization — solo.

It won't be easy, Narachi said in a recent interview, and the next 12 months are critical to the company's success.

"I don't think we have a lot of time," Narachi said. "This has to play out in 2017."

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Jamie Scott Lytle

Orexigen CEO Michael Narachi says it makes more sense for the company to go it alone in the further commercialization of its weight-loss drug.

Hotel Could Bring Big Changes to Escondido

TRAVEL: Stone's Project May Rev Up the Business Climate

■ By LOU HIRSH

"We're already getting emails from people saying they want to hold the first wedding at **Stone Hotel**," said **Steve Robbins**, director of hospitality at **Stone Brewing Co.**, describing public reaction to the recent announcement



Steve Robbins

that the brewer is moving forward with plans for a full-service, 99-room hotel adjacent to its flagship Escondido brewing facilities.

It also came as good news to business and economic leaders in Escondido, who noted that the city currently has no

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Business Journal Names Paton as New Publisher

MEDIA: He Takes Job Sept. 1; Mills to Be Publisher Emeritus

■ By NELS JENSEN

Huntley Paton has been named president and publisher of the **San Diego Business Journal** effective Sept. 1. He will succeed longtime business journal Publisher **Armon Mills**, who will continue in a role as publisher emeritus.

Paton is a former publisher of the **Dallas Business Journal** and most recently has been executive editor online for **The Business Journals**, a group of 40 business journals owned by **American City Business Journals**. Paton has worked for almost 30 years for ACBJ, which is based in Charlotte, N.C.

"I'm excited to be joining the San Diego Business Journal and part of a publication

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Huntley Paton



Armon Mills

TMD Stays Neutral; Study Hits Convadium

■ By LOU HIRSH

The **San Diego Tourism Marketing District** will not formally campaign against the **San Diego Chargers'** November ballot measure aimed at financing a downtown stadium and convention facility, despite issuing a consulting report that negatively critiqued the project.

"As a nonprofit organization, we are interested in the findings of this independent study, but

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Illumina Reportedly Gets \$30 Billion Offer

■ By BRITTANY MEILING

San Diego medtech giant **Illumina Inc.**, the world's largest developer of DNA sequencing machines, reportedly has received a \$30 billion takeover offer from global firm **Thermo Fisher Scientific**.

The deal is an all-stock offer, **Bloomberg** and **StreetInsider.com** reported, citing an unnamed person familiar with the matter.

This isn't the first time a multinational corporation has attempted to acquire Illumina.

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Stone:

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full-service hotels, as well as no other hotels with large event spaces.

With an opening expected around the first quarter of 2018 for the \$26 million hotel, the brewer and city are now looking forward to serving what has long been a rising demand for hotel and meeting space in Escondido. Demand is being fueled by several factors including the popularity of local brewery tours along state Route 78 and Interstate 15, and the city's proximity to **San Diego Zoo Safari Park**.

Stone Brewing itself is among North County's most popular visitor venues — with well more than a half-million people touring, tasting and dining there annually — and Robbins said the brewer is constantly having to turn down special events that currently cannot fit in Stone's existing Escondido bistro.

"It's going to give Escondido a way to capture group business and corporate business in a way that it hasn't been able to before," Robbins said of the upcoming hotel.

Acre of Outdoor Event Space

Plans for Stone Hotel's event facilities include an 8,000-square-foot ballroom, a 10,000-square-foot rooftop garden adjacent to a pool deck, and nearly an acre of outdoor event space. Robbins said the hotel will also have an on-site library area that can be used for public events and classes, and will be geared to beer education and possibly house Stone Brewing memorabilia.

Robert Cartwright, CEO of San Diego-based **Untitled Hospitality**, which will co-develop and operate the hotel under a licensing agreement with Stone



Rendering courtesy of Stone Brewing Co. Experts expect the planned Stone Hotel to meet a growing need in Escondido for a full-service hotel with extensive event space.

Brewing, said developers' own research indicates that corporate business generated just by the nearby **Palomar Medical Center**, which opened in 2012, will produce a significant number of hotel room nights in a given year. Numerous other companies, including those occupying several local business parks, are all seeking close-by, full-service accommodations for their own visitors.



Robert Cartwright

Cartwright said Stone Hotel could become a local base not only for business travelers, but also tourists looking for a full-service base while visiting other sites in the region.

"You could use Escondido as the place to stay for a few days, and go from there to the Safari Park, **Legoland California**

Resort (in Carlsbad) and those other places in North County," he said.

While there are numerous limited-service hotels and motels in the vicinity, those currently looking for full-service treatment while visiting Escondido must book stays at places such as **Rancho Bernardo Inn** to the south, and properties to the west in University Town Center and Carlsbad. The current largest event space in Escondido is The Centre, which has meeting areas and a restaurant located on the grounds of **Lexus Escondido** on Auto Park Way.

80% Occupancy Forecast

If overall economic conditions remain favorable, Cartwright said operators are expecting Stone Hotel to maintain at least 80 percent occupancy year-round. According to regional data from sources including STR and **RAR Hospitality**, that would put the new hotel on par with downtown San Diego's overall occupancy, which surpassed 80 percent in 2015 and remains among the strongest for San Diego County submarkets; and above the countywide occupancy of just over 76 percent.

Stone Brewing officials originally announced plans for a hotel, adjacent to its flagship facilities on Citracado Parkway, in 2011. But the project was placed on hold while the brewer tended to other projects, including new production facilities that recently opened in Virginia and Berlin, Germany.

Stone co-founder and CEO **Greg Koch** is overseeing nearly all details — big and small — for the planned 100,000-square-foot hotel, and the company is working with the city to finalize necessary approvals for the 13-acre development.

"We were very glad to see that Stone is moving ahead with this project," said **Joyce Masterson**, director of economic development and community relations for the city of Escondido.



Greg Koch

Masterson said the city-owned Daley Ranch has become popular over the years for weddings and other outdoor special events, but organizers seeking full-service hotel accommodations have had to look outside the city.

In addition to business generated by Safari Park, local trade schools, hospitals and the brewing industry, she said Escondido has long seen growth in outside visitors coming to the city for major youth soccer, softball and other sports tournament held in its parks. All of those create demand for hotel rooms, but there has so far been no large project that has come to fruition in the city.

Catalyst for More Hotels

Debra Rosen, president and CEO of the **North San Diego Business Chamber**, with a service area that includes Escondido, said a successful Stone Brewing project could eventually spur other hotel developers to build their own new properties in that city and other North County communities along I-15 and Route 78.



Debra Rosen

Those hotels themselves could create economic activity for numerous suppliers and service businesses that cater to the hospitality industry. "It just ripples through the whole economy in so many ways," Rosen said.

Along with the Safari Park and Stone Brewing, Rosen noted that Escondido has a steady stream of outside visitors attending cultural events at the **California Center for the Arts**, who would be amenable to hotels providing a full-service experience close to local attractions.

"You have to remember that these people are coming from Temecula, Murrieta, Riverside and Orange County," Rosen said. "It would be nice for those visitors to have a place to stay in Escondido, rather than need to find hotels farther to the south."

Joint Venture

Untitled Hospitality will be building out the Stone Hotel in a joint venture with San Diego-based **McMillin LLC**, which focuses on hotels and multifamily projects. The family-run company is affiliated with but is operated separately from longtime local development firm **Corky McMillin Cos.** McMillin LLC, led by CEO **Andy McMillin** and his father, Chairman **Scott McMillin**, also recently partnered



Andy McMillin

with Cartwright's company on plans for **The Barracks Hotel**, an upcoming property with 90 to 95 rooms that will make use of historic former Navy buildings at Liberty Station in Point Loma.

Similar to the Liberty Station project, operators said Stone Hotel in Escondido is geared toward providing accommodations in a high-demand market with numerous nearby attractions, with the ability to compete via local, well-branded features not found in most big-chain hotels.

"It's a chance to develop something that is unique to that location and that market," Andy McMillin said.

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