

Qualcomm's Next Chapter

LEGACY: Pioneering Family's Role Ends At Co.; Impact on Community Is Enduring

■ By TONY CAGALA

UC San Diego's **Jacobs Medical Center** and the **Jacobs School of Engineering**, the **San Diego Symphony's Jacobs Masterworks** program, the **Crick-Jacobs Center** at the **Salk Institute for Biological Studies**, the **Jacobs Building** in downtown San Diego's **Museum of Contemporary Art**.

There's a pattern here and it's only scratching the surface on just how much the Jacobs family (of **Qualcomm Inc.**'s renown) has put its stamp on the communities of San Diego.

But it's been hard times of late for the chip-maker



Paul Jacobs

ing and telecommunications company — and quite possibly — for the family that's helped to create it.

Having survived a hostile takeover attempt from **Broadcom Ltd.**, (NASDAQ: AVGO) earlier this month due to President **Donald Trump's** intervention, the subsequent ousting of Qualcomm co-founder **Irwin Jacobs' son, Paul Jacobs**, from his position as chairman of the board, and a continuing, drawn out legal battle with **Apple Inc.** (NASDAQ: AAPL), it's unclear where the company and the family that helped guide it for so many decades will end up.

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TECH: Intel Ready to Take On Qualcomm For 5G Dominance

■ By JOHN COX

Intel Corp. is coming after **Qualcomm Inc.** — years after, you might say — in the battle for mobile technology dominance.

After falling behind Qualcomm in cellphone microchip design, the Santa Clara-based semiconductor giant crowed last month it will give the San Diego company "formidable and very meritorious" competition in the next-generation wireless technology known as 5G.

"On the modem and technology side, we're going to be investing and executing on a level where we think we can give Qualcomm an extremely competitive environment," **Venkata ("Murthy") Renduchintala**, Intel's chief engineering officer and a former Qualcomm executive, told technology website **TechCrunch**.

Intel is positioned to be a significant player as 5G spreads

during the next two years, having signed recent deals with laptop manufacturers and a pair of Chinese wireless technology companies. But analysts say it's unlikely the personal computing powerhouse will be able to seize the upper hand on wireless handsets, at least in the near term: Qualcomm is simply too far ahead.

Multipronged Competitor

There's some indication Intel may be taking the fight to Qualcomm's backyard.

As of last week, Intel was advertising online to fill a number of engineer openings as part of its intention to create a "complete modem team" in the San Diego market focused on mobile communications protocol HSD-PA and the mobile device high-speed communications standard LTE. A company spokeswoman dismissed the umbrella job posting as outdated and declined to comment on it.

Signs of an escalating clash with Intel have been easy to overlook in recent weeks, as in-

ternational attention focused more on Singapore chipmaker **Broadcom LTD.**'s bid for Qualcomm, as well as the dizzying fallout. Next to Qualcomm's licensing trouble and shareholder discontent, Intel's challenge looked like just one more problem for the San Diego company to wrestle with.

But the Intel-Qualcomm rivalry takes on epic significance in context of the two companies' widening confrontation across an array of sectors, from auto technology and the internet of things to data centers and artificial intelligence. Neither seems willing to cede leadership anywhere.

Now, with Qualcomm's pending acquisition of Dutch chipmaker **NXP Semiconductors NV**,

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Qualcomm

For breaking news and updates on Qualcomm, visit **SDBJ.COM**.

Conflict of Interest At Center of Lawsuit

LEGAL: Avoiding It Can Be Tricky for Law Firms

■ By JARED WHITLOCK

A Carlsbad spine surgery company recently sued a law firm, highlighting a thicket of conflict-of-interest issues lawyers waded through in choosing clients.

In February, Carlsbad-based **Alphatec** filed a breach-of-fiduciary-duty lawsuit against **DLA Piper**. It alleges the global law firm represented

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Steel Tariffs' Unknowns Hang Over Construction

BUILDING: Prices Were Already High; Some Projects May Be Cut

■ By RAY HUARD

Some San Diego County contractors are bracing for what they said could be still higher steel and aluminum prices if tariffs take hold in what was already a rising market.

Most said they just don't know what to expect, while some say they've worried that projects could be cancelled if they involve school departments or government agencies which have limited budgets and little flexibility.

"For work that's in progress or near completion, I don't expect a hit, but anything that's being bid right now is going to be hit," said **Samuel Myovich**, project manager

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Photo by Melissa Jacobs



6 **The recipe:** Broker has right ingredients for Little Italy food scene



19 **Honors:** CFO of the Year winners



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SD 500 UPDATE



Items of interest about people in 2018
The San Diego 500, The Book of
Influential Business Leaders:

Jarrett's Tenure Over at CivicSD; Malarkey Cuts Back

Reese Jarrett's tenure as president of **Civic San Diego** appears to be over as he has been placed on paid administrative leave following his announcement that he was retiring.

Jarrett took over the agency's top position in 2014. Civic San Diego is a non-profit public benefit corporation owned by the city to engage in downtown economic development, land use permitting and project management services. It was formed in 2012 as the successor agency when the state killed its redevelopment program.

The agency has been criticized almost since its creation for how it has fast-tracked projects, four current or former staff members have complained about how the agency operates, and the Mayor's Office is now negotiating a settlement in a lawsuit filed by a former board member.

Jarrett announced his retirement Feb. 28 and has declined comment.

"I think he was frustrated and tired with the job, which I think is perfectly understandable," Civic board chair **Phil Rath** told the **Voice of San Diego**. "It's a difficult environment."

•••

Celebrity chef turned restaurant entrepreneur **Brian Malarkey** has cut back on one of his commitments.

He has resigned from the **Hak-kasan Group** to focus on **Puffer Malarkey Restaurants**.

Malarkey is the founding executive chef of **Searsucker** (2010) and **Herringbone** (2012), which Hak-kasan acquired in 2014. There are four Searsucker locations, including two in San Diego County, and five Herringbone locations, with one here. Malarkey is maintaining an ownership interest in Searsucker and Herringbone.

Puffer Malarkey Restaurants will be opening two more restaurants in 2018 and 2019 – **Animae** in downtown and **Herb & Sea** in Encinitas. They operate **Herb & Wood**, **Herb & Eatery** in Little Italy, **Green Acre** in Campus Pointe and the **Farmer & The Seahorse** in Torrey Pines.

"At this time in my career, I would like to focus entirely on my hometown of San Diego and its incredible dining scene," Malarkey said.



Reese Jarrett



Photo by Stephen Whalen

Nate Benedetto, principal at **Next Wave Commercial**, in front of **The Crack Shack's Little Italy** location. Benedetto has helped the brand expand to **Encinitas, Costa Mesa, Pasadena, and Century City**.

Broker Brings Knowledge, Creativity to the Table

REAL ESTATE: He Finds Right Spot For Both Restaurant and Neighborhood

■ By LARA McCAFFREY

As Little Italy's restaurant scene has exploded over the past few years, commercial real estate broker **Nate Benedetto** has played an active role in helping restaurateurs find the space for their concepts.

"I love the creativity behind restaurants," said Benedetto. "I love the psychology and the creativity behind retail as to finding what people want and curating your offering."

Benedetto, 41, has completed 21 real estate transactions in Little Italy over the past five years. Some of them have been high profile: **Juniper & Ivy** in Little Italy, the expansion of chicken-centric **The Crack Shack** beyond its Little Italy location, and **Born & Raised**, the \$6.5 million steak house concept from **CH Projects' Arsalun Tafazoli**.

Benedetto and his past clients credit his success to his ability to be keyed into his community, focusing on the long term rather than short term results, and taking the time to provide counsel on restaurant locations.

Lifestyle Guide

After moving to San Diego in 2002 from Colorado, Chicago native Benedetto managed a credit union, was a bank manager, and started **Urbanist**, a San Diego lifestyle guide. Benedetto felt like the publication wasn't going to be an easy way to make a living but he saw an opportunity for it to aid the commercial real estate career he'd been contemplating.

"I know all of these business owners in town, I know the neighborhoods really well. What other services can I provide

that would utilize these relationships but be able to help them and provide value?" said Benedetto. "The growing firms are going to need new locations. The shrinking firms are going to need to shed locations and I can be their guy. And that was the crux of my business plan and it seemed to work."

Benedetto joined commercial real estate firm **Strom Commercial** in 2005 and started **Next Wave Commercial** with **Paul Ahern** in 2016. He said that Next Wave Commercial has allowed him to make a bigger dent in the retail and restaurant market by partnering with Ahern who had a similar specialization.

Making Creative Connections

Benedetto said his creative connections, in part built through the **Urbanist**, help him know about available buildings before they hit the market. **Born & Raised's** location at 1909 India Street is an example of an off-market property Benedetto was keyed in on.

"A lot of the biggest deals that we've done are just putting landlord and tenant together where it's not publicly listed on the market, but just knowing where a change can happen and that we can find a way to make a deal in a creative way," said Benedetto.

Judy Preston, **Greater San Diego Association of Realtors** board member, said that real estate professionals who participate in the creative communities of San Diego — like Benedetto does — and figure out what they need will be successful. This means understanding trends in business — for example, many business owners prefer to set up shop within a community rather than a mall.

Arsalun Tafazoli of **Born & Raised** feels that Benedetto stands out from other brokers because he invests time in deals that'll work long term, not just make a lot of money short term. This involves making a deal work for all sides of the transaction

and knowing what businesses would benefit a community like Little Italy.

"He could have easily taken on an **Olive Garden** or a **Darden** restaurant or something and probably gotten way more. But the result of that would have been to the detriment of the neighborhood," said Tafazoli.

Trusted Advice

Mike Rosen, co-owner of **The Crack Shack**, found that Benedetto was a good adviser on finding the perfect spot to open Rosen's first restaurant, **Juniper & Ivy**. Benedetto talked him out of a lot of spaces and convinced him to go for the restaurant's current location at 2228 Kettner Blvd.

When it came time for Rosen to expand **The Crack Shack** beyond its flagship Little Italy location, he reached out to Benedetto again.

"As I started fielding all the inquiries I started saying 'I need somebody to help me pour through them and figure out what our brand represents and where we should be looking,'" said Rosen. "And again that's where Nate stepped in and probably again talked me out of a lot of deals that, who knows, I might have regretted."

Shedding Peripheral Things

If Benedetto has had to sacrifice anything to focus on real estate success, it's been his free time. **Urbanist** has taken a pause and he's had to close down the jewelry company, **Sparkle Friday**, he owned with his wife.

"I was juggling a few different things there for a little bit, but the focus has always been on real estate," said Benedetto. "I'm just kind of shedding some of the peripheral things."

In the future, Benedetto will be helping **The Crack Shack** secure other locations in Los Angeles and Northern California and assisting the **UC San Diego** with its restaurant and retail spaces.