

Economy



Lauree Sahba, of the San Diego Regional Economic Development Corp., says regional officials are working to create more tech-oriented jobs to keep college graduates here.

Page 7

Energy



Aaron Hall, of Borrego Solar, took his college plan and turned it into a successful business. He discusses his company's past and solar energy's future in a Q&A.

Page 21

The Lists

Clean-Tech Companies
Page 20

Residential Real Estate Companies
Page 36



Stephen Whalen

Sea lions sun on the rocks overlooking La Jolla Cove. Merchants say the mammals' scat is contributing to strong odors that are driving away business.

Soiling Its Reputation

ECONOMY: Sea Lion Waste Wreaks Havoc on La Jolla Cove Businesses

By BRAD GRAVES

The **Goldfish Point Café** enjoys a unique location with foot traffic that most businesses would envy: The world-famous La Jolla Cove draws in tourists every day. Pushing back, however, is a certain odor.

On particular days, aromas from the

coastline can get so bad they give customers the dry heaves, said business owner **Claude-Anthony Marengo**.

Marengo, who has owned the café since 1991 and has frequented La Jolla Cove since childhood, said the overpowering, ammoniacal smell is a relatively recent occurrence. He estimates he has lost 38 percent to 40 percent of his business because of it.

The smell varies with the wind and warmth, said **Terry Underwood**, general manager of the nearby **Grande Colonial La**

Stink page 51

Orange Is New Green: Alternative Arrives For Pharmacy Bottles

MEDICINE: Company Targets Big Market With New Container

By BRITTANY MEILING

Each year, the medical industry dispenses billions of prescriptions, most of them in those ubiquitous orange plastic bottles, many of which find their way into landfills.

A San Diego physician who was disturbed by the massive accumulation of that medical waste, and his role in contributing to the problem, came up with a way to minimize its impact.

Driven by the desire to help his patients without hurting the environment, **Dr. Shantu Patel** used his experience as a bioengineer to engineer an eco-friendly alternative to the traditional plastic pill bottles.

His invention is 99 percent plant-based; its



Photo Courtesy of Innovative Bottles Inc.
Danen Butler, CEO of **Innovative Bottles Inc.**, with board member **Joyce Grosvenor**.

main component is polylactic acid. Patel founded a company called **Innovative Bottles Inc.**, and patented his blend of bio-based resins, calling it **InnovPLA**.

The eco-friendly material has been used to create prescription containers called **ECOVials**, making **Innovative Bottles** the first company to market an alternative to plastic for the prescription pharmacy

Medicine page 45

GA Handles a Tall Order for Fusion Experiment

ENERGY: Huge Electromagnet To Play Key Role in Program

By BRAD GRAVES

In the world of specialty manufacturing, this is about as specialized as you get.

In Poway, a short distance from a business that produces gym equipment, **General Atomics** is putting together a 60-foot-tall electromagnet that will be the center of the world's most advanced nuclear reactor, called **ITER**.

General Atomics page 44

Builders, Regulators Look to Cooperate on Runoff Compliance

BUILDING: Permit Update Will Add to the Complexities

By EMMET PIERCE

Although they often have been at odds over how to prevent stormwater pollution from construction site runoff, local builders and the **San Diego Regional Water Quality Control Board** say they are building a closer working relationship.

David Gibson, executive officer of the regional board, said the building industry has been pushing the board to take a regional approach, rather than attempting to stop

Water page 18

Blackstone Acquiring Excel Trust Inc. in \$2 Billion Purchase

REAL ESTATE: Deal Is All-Cash Transaction, Should Close In 2015

By LOU HIRSH

Excel Trust Inc., a San Diego-based real estate investment company, has entered into an agreement to be acquired by **Blackstone Property Partners LP** in an all-cash transaction valued at approximately \$2 billion, the companies announced.

Company officials said the deal calls for New York-based **Blackstone** to acquire all

Blackstone page 51

director
of the
Year 2015

NOMINATE A DIRECTOR TODAY!

Submission Deadline:

Friday, May 29th, 2015

www.directorsforum.com

Gala Awards Event:

Tuesday, September 15th, 2015

Hyatt Regency La Jolla Hotel

Recognizing directors for outstanding performance in the boardroom and/or behind the scenes.



Medicine:

from page 1
industry in the U.S.

Big Shoes to Fill

The disposable containers that hold medications are one of the most-used plastic products in the country. Pharmacies issued about 3.9 billion of the plastic vials in the U.S. during 2013, about 10 million little orange bottles a day, according to research conducted by the **Henry J. Kaiser Family Foundation**.

Even if an environmentally conscious patient tossed her bottle in a recycling bin, giant grids that shake out debris at recycling plants often cause the vials to slip down into the landfill waste.

Today, plastic prescription bottles are made out of a synthetic chemical called polypropylene. While polypropylene is recyclable and more environmentally friendly than some of its plastic counterparts, Patel's new blend uses 42 percent less energy in production and produces 32 percent less greenhouse gas emissions, said Innovative Bottles' CEO **Danen Butler**.

"Plastic waste has been in the news a lot lately," Butler said. "Everyone is talking about it but no one has a solution. The ECOVial isn't a solution to the world's problems, but it will make a big impact in our particular market."

After the company takes on prescription bottles, Butler said he intends to tackle other disposable plastic products used in hospitals and laboratories.

INNOVATIVE BOTTLES INC.

CEO: Danen Butler

Revenue: \$0

No. of local employees: 2 full time; 7 contractors

Investors: Crowd funding from qualified private citizens

Headquarters: Carlsbad

Year founded: 2010

What makes the company innovative:

Developed alternative to plastic prescription bottles out of plant-based material

Key factors for success: Experienced executive team, no-strings-attached financing, meeting unmet need to reduce medical plastic waste at competitive price

Crowdfunding

Innovative Bottles was founded in 2010 as a limited liability corporation, but recently got down to business when Butler came on board last year. The CEO came with niche experience in the field, including five years managing the engineering and production of plastic injection molds at **Anue Water Technologies** in Vista. Before that, Butler held various roles in the San Diego startup community, including growing **TruSolutions** from two men working out of a garage to an 85-person business earning \$24 million in revenue within four years. Butler eventually sold TruSolutions for \$200 million in 2000.

No stranger to fundraising, Butler worked with financial advisors at **Capital Services Group** to devise an unusual approach to financing. CSG developed a Web-enabled investment strategy — i.e. fancy lingo for "crowdfunding" — and raised over \$3 million in capital in a few short months.

"New regulations allow qualified private citizens the opportunity to get in on the ground floor of startup businesses

using their 401K or IRAs," said **Thomas Carter**, CEO of **Capital Services Group**. "Due to the unique nature of this company's products, we were able to generate investment capital immediately without using traditional private equity or investment banking companies, which typically take up to 10 percent in offering fees and a larger percentage of the company's equity. This approach is a more formal and strategic level of Web-based crowdfunding."

Butler said the capital was used to develop molds for the company's first product, ECOVials. Innovative Bottles is currently in discussions with three of the five largest pharmacies in the country, along with a handful of midrange and independent pharmacies and some of the major hospital systems in San Diego, Butler said.

"They are primarily concerned with how cost-effective the ECOVials will be," Butler said. "We're not going out as low-cost leader, but we'll be competitive."



Photo Courtesy of Innovative Bottles Inc.
Dr. Shantu Patel, the founder, chief innovation officer and chairman of **Innovative Bottles Inc.**, holds one of his eco-friendly prescription bottles.

Butler said production of the ECO-Vials will begin this summer at Chula Vista-based **Nypro Inc.**, and he expects to be generating revenue within 12 months.



RUB ELBOWS WITH SUPERHEROES

MEET SAN DIEGO'S TOP I.T. LEADERS AT THE 2015 TOP TECH EXEC AWARDS.

Network with the area's most brilliant I.T. Leaders. Take part in engaging diversions. Enjoy delicious food. Unwind with a complimentary beverage at the CoxMopolitian Lounge and Top Tech Tavern. And of course, the parking is free. Being a superhero's friend has its benefits.

ORDER YOUR TICKETS TODAY. MEET THEM ON MAY 14TH.
Go to: toptechexecs.com

SAN DIEGO'S MOST PRESTIGIOUS I.T. LEADER AWARDS

MAY 14 TOP TECH EXEC AWARDS 2015

4-7 pm at The Paddock at Del Mar Fairgrounds

PRESENTED BY: **San Diego MAGAZINE**

TITLE SPONSOR: **COX Business**

PLATINUM SPONSOR: **ScaleMatrix**
Cloud. Calculated. Managed.

MEDIA SPONSOR: **SAN DIEGO BUSINESS JOURNAL**

GOLD SPONSORS:

eSet
SECURITY SOLUTIONS

Witt
EXC. BIDD. LINCOLN

BRONZE SPONSORS:

Bloomberg <HD>

SAN DIEGO TOTAL|TECH

SUPPORTING SPONSORS:

aitp **SIM**

TEDx AmericasFinestCity

find and follow us: