

# Carmel Valley Office Building Designed to Feel Like Home

**ARCHITECTURE:** Innovative Project Offers More Casual Environment

■ By RAY HUARD

Chris Veum knew that he was in a place that deserved special treatment when he first drove onto a Carmel Valley site overlooking Los Penasquitos Lagoon with the Pacific Ocean in the near distance.



Chris Veum

The site on Carmel Valley Road at the edge of Del Mar had been a restaurant, but Veum, president of AVR P Skyport architects, quickly started sketching out ideas to transform it into an innovative office project for the new headquarters of the Peace Crowell law firm.

## Homey Feeling

What he came up with was a building designed as an office but with touches that gave it a homey feeling, blending the home and work environment in keeping



Rendering courtesy of AVR P Skyport

A new Carmel Valley office building was designed with glass walls on three sides as the new San Diego headquarters of the Peace Crowell law firm.

with the growing trend of offices moving more toward a more casual environment.

They include an open kitchen, where people can gather much as they would in someone's home.

Veum said giving the office building a homey touch "is just kind of a logical step" as an increasing number of people work at home or split their time, working sometimes

at home and sometimes at an office.

## Blurring That Line

"I think about how we live and work today, it's blurring that line more and more," Veum said. "With the pandemic, we've learned to work at home."

At the same time, the building has a very open office design, taking advantage of its

scenic surroundings.

With a construction cost of \$5.5 million, the 5,800 square foot building is slightly raised from street level, with floor to ceiling glass walls on three sides.

Construction is tentatively set to start by the end of the year, pending permitting, Veum said.

"The best thing about San Diego is the outside. All those glass panels on the west side of the building open so it can be cooled by the ocean breeze," Veum said. "There's so much glass there that you see right through to the ocean."

Shaded terraces also give the building an outdoor feel and provide places for people to mingle.

The building is designed to be net zero, meaning it will provide its own energy with rooftop solar panels.

In cooler weather, the rooftop solar panels heat water, which is circulated beneath the floors to warm the building.

A rooftop garden on the two-story building will absorb much of the rainwater, and the flooring in the parking garage is made of a pervious material to allow rainwater to be absorbed into the ground.

"The idea is you're going to walk out onto this deck and it's going to be more like a garden," Veum said.

Interior floors will be exposed and polished concrete and stairways will be made of finished bamboo.

## Sustainable Materials

"We're using a lot of sustainable ma-  
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### AVRP Skyport



FOUNDED: 1976

CEO: Douglas Austin

HEADQUARTERS: East Village

BUSINESS: Architects

EMPLOYEES: 44

WEBSITE: www.avrpstudios.com

NOTABLE: AVR P Skyport is the architect working with Protea Development on the \$1.2 billion Seaport San Diego project on the city's bay front

# Engrail Therapeutics Raises \$32M in Series A Funding

**BIOTECH:** Investors Betting On Co.'s Potential Scientific Innovation

■ By FRED GRIER

Engrail Therapeutics, a San Diego neurological in-licensing company, has raised \$32 million with all the funds coming from Nan Fung Life Sciences, a subsidiary of Hong Kong property developer Nan Fung Group.

To date, the biotech company has one preclinical asset, however investors are betting on Engrail's potential for scientific innovation and business model.

## Early State Startup

Massive ambitions for an early-stage startup, its model includes licensing, co-development and company buyouts.

CEO and President Vikram Sudarsan said the company plans to buy up more assets with validated mechanisms, as a result, catalyzing a diverse



Vikram Sudarsan

portfolio of therapies to treat diseases of the nervous system.

"Our goal is to build a leading neuroscience company fueled by a robust pipeline. We are focused on the acquisition, development and commercialization of patient-centric neuroscience therapeutics. ENX-101 represents the first milestone in this effort," said Sudarsan.

Neuroscience is a notoriously difficult Research and Development (R&D) area, for example in areas like Alzheimer's disease, billions of research dollars spent and lost on projects that simply could not make the grade.

## Safe and Effective

Today, most patients are treated with GABA modulators, such as benzodiazepines, but they often cause side effects and the risk of drug dependence. This inspired the team at Engrail to develop a GABA modulator that is more safe and effective.

Engrail developed ENX-101, a preclinical compound designed to modulate a receptor for GABA, a neurotransmitter in the brain. In-licensing ENX-101 earlier this year, Sudarsan said the company has already inked its first deal.

There are several targets in development using this approach including epilepsy, anxiety and sleep disorders, however Engrail has yet to disclose which disease targets they are going after.

Looking beyond in-licensing, the

company is open to partnerships that involve co-development, as well as company acquisitions. Engrail is also in late-stage talks with other entities about agreements to further expand its pipeline.

## Seasoned Leadership Team

Peter Bisgaard, managing director of NFLS and chairman of Engrail's board of directors, said he believes the company's seasoned executive leadership team is what sets the company apart from the competition. He is confident Engrail will advance multiple therapies through the clinical ecosystem in the upcoming years and is a proud supporter.



Peter Bisgaard

"Engrail's dynamic model for advancing drugs aimed at treating life-limiting diseases of the nervous system is exactly the innovation this complex field requires," said Bisgaard. "We look forward to supporting Engrail's team of passionate entrepreneurs as it acquires assets and moves these compelling therapies through the clinic."

Other notable San Diego biotechs in the neuroscience field include Acadia Pharmaceuticals and Neurocrine Biosciences, who both have succeeded in developing new drugs.

Sudarsan formerly served as CEO with Indian generics giant Cipla leading

the development of branded products for CNS disorders and respiratory diseases, and as head of strategy for its VC arm. He brings extensive experience in both life sciences and venture capital.

His Co-Founder, Stephen Cunningham is a longtime pharmaceutical executive who spent more than a decade at Novartis, including as head of US clinical development. Prior to Novartis, he served a similarly lengthy stretch at AstraZeneca.

Leading corporate development at the biotech is Anil Vootkur, bringing experience from leading neurosciences global strategic marketing at Allergan (now part of AbbVie) and Takeda Pharmaceutical where he worked in a variety of roles.

Looking ahead, the Series A funding from Nan Fung will allow Engrail to move ENX-101 into the clinic and to make more additions to the company's pipeline. The company is headquartered in the Del Mar area and employs a total of eight staffers.

Sudarsan said Nan Fung's support is a long-term commitment, and noted that the life sciences investment subsidiary has a \$1.5 billion capital commitment from its parent company.

Last year, more than 45 companies had received backing from Nan Fung Life Sciences, including San Diego's Gossamer Bio, Illumin spinout Grail, Redwood City, and Bolt Biotherapeutics. ■

### Engrail Therapeutics



FOUNDED: 2015

CEO: Vikram Sudarsan

HEADQUARTERS: Del Mar

BUSINESS: Biotech company that develops drugs for the nervous system.

FUNDING: Raised \$32 million, to date.

EMPLOYEES: 8

WEBSITE: www.engrail.com

NOTABLE: Co. is supported by a long-term capital commitment from Nan Fung Life Sciences

## AVRP Skyport

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materials in the construction,” Veum said.

With the COVID-19 pandemic in mind, the building will have touchless doors and other touchless features.

Glass or copper, which are more resistant to microbes than some other materials, will be used on hardware that people touch, Veum said.

Veum's design was a hit with **Jason Crowell**, managing partner of Peace Crowell, LLP.

“This will be the slickest law office in North County and possibly all of San Diego, even if boutique,” Crowell said. “It will take advantage of the views of the ocean, the lagoon and Torrey Pines of course, but it also just sits perfectly in that space, with a very California feel but also incorporate all of the efficiencies we've grown to admire about European and British modern office and interior design. It really takes who we are and what we've learned practicing in different places around the world,”



Jason Crowell



**This will be the slickest law office in North County and possibly all of San Diego, even if boutique. It will take advantage of the views of the ocean, the lagoon and Torrey Pines of course, but it also just sits perfectly in that space, with a very California feel...**

JASON CROWELL

said Crowell, who opened a London office for the firm about five years ago and lives in London for part of the year, said he wanted the new San Diego offices to have a European flair but also build on the look of the firm's current Banker's Hill office that was designed by Lloyd Ruocco in the 1940's.

That building “embraces a tremendous expression of California modern design,” Crowell said, but the firm has outgrown the space.

“We found working in that kind of space to be really enjoyable for its open, air, conscientious design,” Crowell said.

Veum “totally got it from our first conversation,” Crowell said. “The first set of sketches were spot on.”

Crowell said he didn't give Veum specific instructions.

“It was really more of a conversation about concepts and philosophical approach, and then from there, he just got it and the design is perfect,” Crowell said. “Obviously, we are particular about functional use and that's driven some refinement, but the work is fundamentally his vision of those conceptual designs and we are amazed how personal it feels and how much of our local and international experience the design incorporates.” ■

## Viasat

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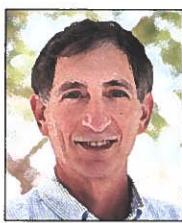
research note.

The prospect of federal subsidies is motivating the company, CEO **Mark Dankberg** said in calls with analysts in late May.

“Basically it's the demand side that we're after. And the only thing that's really changed on the demand side are government subsidies,” Dankberg said in an interview with an **Alliance Bernstein** analyst on May 27.

“If the subsidies go away or aren't there, it's more questionable how valuable that is,” he said at another point.

Dankberg did not give a dollar value for the subsidies, and the figure was not immediately available through the company.



Mark Dankberg

### A Change of Plans

Viasat (Nasdaq: VSAT) was already planning a satellite constellation different from ViaSat-3. As originally planned, the new constellation would operate at what is called medium Earth orbit (greater than 1,240 miles high).

The federal government plans to subsidize rural broadband service with low latency — that is, with less lag time or interruptions — under its Rural Digital Opportunity Fund or RDOF program.

This spring the Carlsbad corporation asked the federal government to let it operate at low Earth orbit, to take advantage of the possible federal funding. Low Earth orbit can be as low as 110 miles and as high as 1,240.

The project is still early in the planning stages. It is still too early to tell whether Viasat can successfully bring in a government subsidy for the project.

### First Up: ViaSat-3

In the near term, Viasat plans to launch ViaSat-3. The project consists of three large satellites (weighing 6.4 tons apiece)

in geosynchronous orbit (roughly 22,000 miles high). At such an orbit, each satellite moves at such a speed where it seems to hover in one spot over the Earth turning below it. The corporation plans to launch one satellite serving North and South America, a second serving Europe and Africa, and a third serving countries in the Asia-Pacific region.

Viasat is expected to spend more than \$2 billion on the Viasat-3 project.

Dankberg, on an investor conference call, said the company's goal is to ship its first ViaSat-3 satellite to its launch site as early as autumn. Pandemic-related issues, however, might make the schedule slip.

Crawford, in his research note, said the ViaSat-3 satellite serving the Americas may go into service as early as December 2021. He added that by 2026, he thinks Viasat will be “well through its fleet investment phase and generating substantial FCF” or free cash flow.

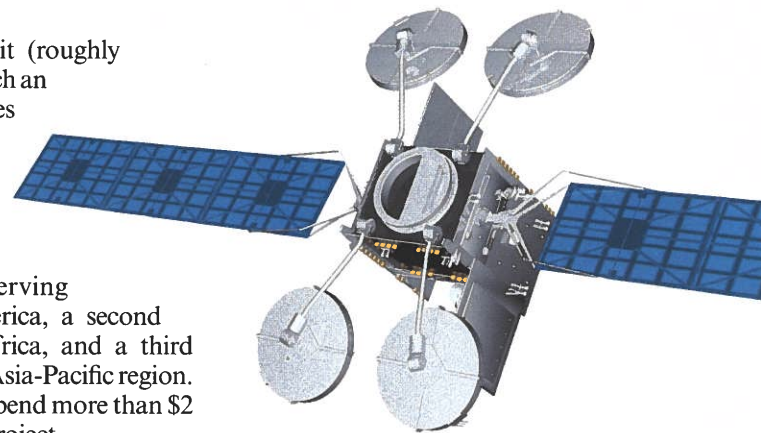
### Taking the Long-Term View

Dankberg addressed other topics in his analyst talks.

Generally Viasat is weathering the economic downturn well. The COVID-19 pandemic has created one significant problem for Viasat. The company offers satellite Wi-Fi service for passengers in specially fitted commercial aircraft. Airlines are flying far fewer passengers these days, so revenue has dropped. Viasat has responded by cutting expenses, including more than 300 jobs.

At one point in his talk with Alliance Bernstein analyst **Peter Supino**, Dankberg compared the in-flight business with **The Walt Disney Corp.**'s theme parks.

Disney's theme parks successfully leverage the value of the company's other media and entertainment assets. Right now the theme parks are “a huge drag” since no one can go to them, Dankberg said. But if for some reason Disney wanted to sell the theme parks, there would be buyers. “I don't think there's another media company in the



Rendering courtesy of Viasat Inc.

**Viasat plans to put its ViaSat-3 satellites into service in the next few years. Beyond that, it is planning a constellation of almost 300 satellites in low Earth orbit.**

world that wouldn't instantly take over all those theme parks if they could,” he said.

“That's how we look at our airline business,” the CEO said. “Right now the airline business is very stressed and we have a bunch of our business tied up in that. But we think that business is coming back and we wouldn't trade that for other businesses....”

Dankberg also told Supino that Viasat has orders from certain airlines to install in-flight communication equipment, but the airlines do not want to announce the orders yet.

In other news, Viasat announced on June 17 that it planned to issue \$400 million in senior notes, or bonds. The bonds carry an interest rate of 6.5% and are due in 2028. ■

### Viasat Inc.



**FOUNDED:** 1986  
**CEO:** Mark Dankberg  
**HEADQUARTERS:** Carlsbad  
**BUSINESS:** Broadband services and technologies co.  
**REVENUE:** \$2.3B in fiscal 2020; \$2.07B in fiscal 2019  
**NET LOSS:** (\$200,000) in fiscal 2020; (\$67.6 million) in fiscal 2019  
**STOCK:** VSAT on Nasdaq  
**EMPLOYEES:** 5,500  
**WEBSITE:** www.viasat.com  
**NOTABLE:** The business provides communications for Air Force One

## Leo & Loy

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the biggest differentiators for the firm is the composition of their workforce, Molloy said. It's database is composed of high-level recruiters located nationwide, all bringing at least five years of direct recruiting experience.

Currently, the team provides consulting services virtually through both phone and online meetings, partnering organizations and individuals on a global scale. Leo & Loy offers individualized plans from skill review through to the interview stage of the job search.

“By employing recruitment professionals, we're able to provide insight from the perspective of a potential employer,” said Leopold, co-founder and head of operations. “Recruitment professionals know how to write effective resumes faster, how to clean up or set up attractive social media profiles and teach our clients how to use the top job aggregators.”

Leopold spent 20 years in education, during which time she also launched and ran her own business, Obsessively Organized by Keegan. Molloy brings over 25 years of professional experience in recruitment, workforce solutions, sales and operations.

It's packages start at \$159 for individual

career consulting and \$490 for outplacement.

Leo & Loy provides discounted rates for nonprofit organizations, active duty military, as well as individuals that have been displaced due to the pandemic.

On track to meet its sales revenue milestones, the company projects to bring in \$1 million in sales by next year.

To date, the firm has raised roughly \$100,000 in funding from an angel investors. Headquartered in Encinitas, the firm employs two local staffers.

“I've worked in just about every aspect of recruiting and placement over the past two decades. What I've enjoyed most is helping people get back on their feet after a layoff and working with them through career transitions. It's incredibly rewarding to help someone identify their skills, create a compelling resume and give them the confidence to find the next wave of their career,” said Molloy. ■

### Leo & Loy



**FOUNDED:** 2020  
**FOUNDERS:** Katie Molloy, Keegan Leopold  
**HEADQUARTERS:** Encinitas  
**BUSINESS:** Outplacement and career consulting  
**EMPLOYEES:** 2 at startup  
**WEBSITE:** leoandloy.com  
**NOTABLE:** The women-owned company projects to bring in \$1 million in sales by next year.

## Home Prices

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persistent, they're persevering.”

“Sellers are more pessimistic, less confident that now is a good time to sell,” Olsen said.

Once the pent-up demand from new buyers is met “the return of buyers will start to slow down,” Olsen said. “Then, the housing market will start to see prices soften.”

In the near term, no one is predicting the dramatic plunge in home prices that marked the Great Recession, but Brennan said that he expects a fairly significant decline sometime over the next four years as part of a normal housing market cycle.

When San Diego residents look for a new home, more are sticking close to home than they were a year ago,

The data is little old — coming during the height of the COVID-19 pandemic lockdowns — but as of April, 27.2% off those searching from San Diego for homes on Zillow's website looked outside of San Diego County, down from 37.5% in April 2019.

“San Diego is one of the top five major metro areas where they have a lower share of searches going outside,” Olsen said. “Your searchers are staying in San Diego.” ■