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Retail Center Rebuild Plans to Arrive With Trolley Extension

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Artist rendering show tentative plans for a redeveloped Costa Verde shopping center in University City. Rendering courtesy of Regency Centers.

San Diego — Regency Centers is refining plans to redevelop the Costa Verde shopping center in University City with an eye toward getting final city approval in early 2018.

Details of what tenants will sign up for the redesigned center are yet to come, but Regency Centers' Vice President John W. Murphy said a McDonald's restaurant and a gas station at the southeast corner of the property will remain.

Both have long-term leases and are popular with people in nearby neighborhoods, Murphy said.

The rest of the center will be leveled and rebuilt from scratch.

Murphy said he hopes to keep a Bristol Farms grocery store as an anchor in the new center, although possibly in a smaller space, and add a pharmacy.

He's also hoping to find space for a new restaurant from the Cohn Restaurant Group to replace the company's Draft Republic, which will be torn down as part of the redevelopment.

Other center tenants also could return, although that will depend partly on the tenants' marketing plans.

Ideally, Murphy said the existing center would be razed in late 2019, with reconstruction expected to take 24 months.

He said the timing is meant to coincide with construction of a trolley station on Genesee Avenue adjacent to the center.

Although still in flux pending city approval, plans call for the addition of 125,000 square feet of new retail and restaurant space, addition of a six-story, 200-room hotel and more parking with a garage that can be converted to other uses should self-driving vehicles catch on and the need for parking diminish.

"There will be new energy to the food offerings, more diverse," Murphy said.

Current restaurants include Apollonia Greek Bistro, Baskin Robbins, Chipotle, Draft Republic, Five Guys Burger and Fries, Ki Sushi & Sake Bar, Roberts Juice, Roy's La Jolla, Sammy's Woodfired Pizza, Starbucks and Subway.

The center also has a variety of shops and service businesses, including Bookstar, Men's Warehouse, Mattress Firm, My Sister's Closet, Active Foot Store, Jenny Craig Weight Loss Center, Massage Envy, Pampered Hands Nail Salon, Supercuts, The Boxing Club, Wells Fargo and First Citizen banks, Allstate Insurance, Go Wireless, La Jolla Cleaners, San Diego Care, The Casual Eye and the U.S. Postal Service.

Murphy said he'd like to have a similar mix of tenants in the redeveloped center, although the specific businesses could change.

The new Costa Verde center also would have a coworking or tech startup creative office space with a wide-open floor plan and lot of glass.

An elevated rooftop park and a bike plaza with showers, lockers and access to a bike station would be added near the trolley.

The redeveloped center would be built around a pedestrian plaza, which would be free of automobile and truck traffic. The back of the center, which is now mostly a solid wall, would be opened up with glass windows.

Redevelopment of Costa Verde follows the expansion this year of the Westfield UTC mall, which is to the west of Costa Verde across Genesee Avenue.

The mall and the shopping center will be linked by two pedestrian bridges planned as part of a trolley station on Genesee Avenue.

Murphy and Southwest Strategies President Chris Wahl said the two serve different markets and do not compete.

“You’re looking at an entirely different kind of experience,” Wahl said. “This is a community service center that draws from five miles. UTC is a regional mall that draws from 15 miles.”

The tenant mix also is far different.

“They’re not necessarily looking at having a dry cleaner at a regional mall,” Murphy said. “I have smaller spaces. If I want to take a chance on the ramen guy, or the great taco guy, I can.”

When Costa Verde was built in 1989, there was little else around it.

Since then, several multistory apartment buildings have gone up and more are planned, including four apartment towers adjacent to the shopping center.

“It performed well for us,” Murphy said, but the center has become outdated as the demographics of the area have changed to be predominantly apartment renters who look to the shopping center to provide more services and places to meet and dine.

“We’d like you to come here three or four times a week,” Murphy said.

As details of the redevelopment are worked out, Murphy said he plans to consult with neighbors before finalizing the redevelopment plans.

Some changes already have been made in the redevelopment design as a result of concerns raised by nearby residents, including lowering a planned building on the southeast corner of the property to give neighbors a clear line of sign into the center, Murphy said.

“We’re not trying to just drop something into the neighborhood that doesn’t work for them,” Murphy said.

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