QDOBA to Open First Restaurant in Hometown

**DINING:** Growing San Diego-Based National Chain Has 730 Locations

QDOBA Mexican Eats will open its first San Diego restaurant this fall.

Scheduled to debut in the fall, the Mission Valley company-owned location will include all of the QDOBA bells and whistles, according to Jill Adams, vice president of marketing, including digital ordering and delivery on the QDOBA site and mobile app, third party delivery and catering for both B2B and B2C channels.

Additionally, the San Diego restaurant, at 2,400 square feet and suitable for the pandemic, will feature a walk-up, pick-up window, outdoor dining and a curbside option that allows for orders to be dropped off with customers at their parked cars, she said.

San Diego Startups Raise Record $1.2 Billion in Q2

**VENTURE CAPITAL:** Life Science Category Has Largest Single Quarter in History

Despite the tumult of an ongoing pandemic, San Diego deal-making and high valuations is continuing into 2020. Companies in San Diego County raised $1.2 billion in the second quarter of 2020, according to a July 20 report by JLL. Making it the largest quarter on record.

“The Life Science category had the largest single quarter of venture capital investing in history in San Diego,” said Grant Schoneman, managing director at JLL’s San Diego office. “The last quarter in San Diego was Q3 in 2018, when the life sciences sector raised $780 million. This quarter we reached $875 million for the life science sector, which I think is only the tip of the iceberg for the region.”

$1.8B Raised

JLL recorded $1.8 billion across all funding stages for the second quarter specifically. This is up 42 percent year-over-year and up 88 percent quarter-over-quarter.

Compared to last year, the funding is more weighted more towards the life sciences, than previous years with 93% of funding in life sciences ($875M) and technology ($244M).

“Investors are finding a good place to put their money,” said Schoneman. “The common theme we are seeing is a greater focus on healthcare, diagnostics, and testing as it relates to COVID.”

Toward the end of the first quarter and into the second quarter of 2020, the pandemic’s impact was felt across large sections of the globe, resulting in layoffs by technology startups, shifts to remote work seemingly overnight, and markets shutting down. Industries hit hard were travel, last-mile mobility, restaurants, events, etc.

EvoNexus Debuts 5G Incubator

**TECH:** Qualcomm Backs Program

San Diego startup incubator EvoNexus launched a program earlier this month to help very young companies develop business models around the speedy, new, fifth-generation wireless data standard known as 5G.

Qualcomm Inc., San Diego’s largest public company and the inventor of much 5G technology, is sponsoring the EvoNexus program. Financial details of the arrangement were not disclosed.

5G promises to send data between wireless devices up to 20 times faster than previous-generation technology, exchanging

Housing Market ‘Sizzling Hot’

**REAL ESTATE:** Homes Selling Fast After Slow April and May

San Diego’s housing market is going crazy after a slow April and slightly improved May.

Agents report homes are selling nearly as fast as they can list them, with multiple offers common.

Zillow, an online listing agency and brokerage, reported that San Diego homes on average lasted 12 days on the market in mid-July before a contract to sell was signed-14 days faster than a year ago.

“The current housing market in San Diego is a perfect storm for a sizzling hot market.”

P.6 WORKPLACE: San Diego women in STEM see notable gains

P.15 REAL ESTATE: Virtual tours become new normal for selling homes
QDOBA

This is the fifth location QDOBA, founded in 1995 and headquartered in Mission Valley, will open during the pandemic, according to Adams. In June, it debuted restaurants in Marietta, Ga., Fort Worth, Texas, and Farmingdale, N.Y. In July, QDOBA opened an eatery at the Nellis Air Force Base in Nevada.

Now, the plan moving forward for the $900 million company—projected to reach $1 billion by the end of 2020—is to continue to grow its local footprint, with franchised openings planned in San Diego down the line.

Growth Company

“We are a growth company and we are always looking for growth opportunities,” said Adams. “For San Diego, we are actively looking right now for what are those best neighborhoods and best sites to go into for QDOBA. Mission Valley won’t be the only location.”

Since relocating its headquarters from Denver, Colorado, in 2017, after being acquired by San Diego-headquartered Jack in the Box in 2003 for $45 million, the plan for QDOBA has always been to claim a piece of San Diego’s thriving food scene by opening multiple restaurants here. But no sooner had it put down local roots in an effort to consolidate infrastructures, Jack in the Box decided to sell, said Adams.

In 2017, Jack in the Box sold QDOBA to Apollo Global Management for $305 million.

This put a slight damper on its local growth and expansion plans. But, as soon as that sale was completed March of 2018, Adams said the company started back up on its search for the perfect real estate for its long-awaited San Diego debut. And, that led them to Mission Valley, a location that will open between late September and early October. Just one mile from the corporate headquarters, the new location will bring 30 new jobs to the county, she said.

Test Kitchen

In addition to serving the San Diego community, Keith Guilbault, QDOBA’s CEO, said the new location will serve as a test kitchen and training facility for the company.

“We are so excited about opening our first restaurant in San Diego,” said Guilbault. “It took us a little while to find the right location as we definitely knew we wanted it to be somewhere near our office. Now, not only will it serve all of our customers, it will also be a place to train corporate employees, a place to bring in perspective franchisees and a place to test new concepts. Having it literally on the same street as the office will work to our advantage.”

Robust and Flavorful

On the menu side, the Mission Valley QDOBA location will offer the “robust and flavorful” menu items it is known for, said Adams. This includes its most popular product, the Grilled Adobo Chicken Bowl or Burrito with its signature three-cheese queso, and its Impossible Meat protein option, with a proprietary blend of spices and seasoning, she said.

“We launched the system May of 2019, so over a year ago, and tested it prior to that,” said Adams about the plant-based offering. “We are still the largest Mexican fast-casual chain to offer plant-based Impossible meat. We are (also) the largest restaurant brand which offers it as a ground meat option versus a burger. We offer it as part of our burrito and bowl and it is our most popular protein behind chicken and steak.”

For Sale Again?

Just as things were starting to stabilize, late last year, it was reported that QDOBA might be up for sale once again.

According to a Bloomberg article, Apollo Global Marketing Inc., the New York-based private equity firm which acquired it from Jack in the Box, was exploring a sale of the company that could be worth up to $550 million, including debt. It claimed Apollo wanted to sell QDOBA after attempts to take Chuck E. Cheese parent CEC Entertainment Inc., public via reverse merger fell through that July.

But Adams assures that for now, QDOBA will remain in business with Apollo, and sit tight in sunny San Diego.

“We are currently not in the process of the sale any more,” she said. “Private equity firms are always looking for opportunities, but they decided now is not the right time.”

For Adams the decision provides a sense of relief, particularly because of the pandemic.

“They’ve been great partners,” she said, “it’s been nice to have the same ownership group as we manage through this new world.”