

Internet Bank Has New Home With Quite a View



SDBJ INSIDER

Nels Jensen

San Diego's high flying digital banking trend-setter has made it to another peak, this one on top floors of the **Pacifica Tower** at The Plaza office center in UTC.

Axos Bank,

known previously as Bank of the Internet and BofI Federal Bank, has leased 42,000 square feet on the 17th and 18th floors. Axos, which rebranded Oct. 1, also will have signage atop the building, one of the tallest in UTC.

Wells Fargo previously had the office space and signage.

Axos Bank's UTC footprint increases from 76,000 square feet to 136,000, which includes other space in The Plaza and nearby in Eastgate. It's the bank's seventh expansion in the past five years; assets now exceed \$8.6 billion.

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The region is home to another banking innovator. UTC-based **Silvergate Bank** and CEO **Alan Lane** began pursuing digital currency customers in 2013 and say they have more than 400 customers in the space. Silvergate has more than doubled its assets in the past year to \$1.9 billion.

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Timing is everything department: The **San Diego Regional Chamber of Commerce** just celebrated 43 graduates of its second Advance class, a seven-month leadership program designed by women to empower women in the workplace. Among the chamber's other programs is the Public Leadership Institute, a five-month program that trains would-be political candidates. The last PLI class of 16 had three women. I'm guessing that ratio will be significantly different for PLI's next group in the spring.

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Timing is especially important in spec development, and two projects coming online played that well. **Kilroy Realty Corp.**'s The Shops at One Paseo in Del Mar Heights is nearly fully pre-leased despite having the highest retail rates in the region. **Lankford & Associates'** six-story Block D in the East Village Makers Quarter recently opened at about 80 percent leased. It was the first spec office building built downtown in 10 years.

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I'm not so sure about the scope of the business opportunity, but **David Metzgar** has combined two of his passions into a parashawking business. It's a combination of paragliding and falconry.

Metzgar, a paragliding pilot, in 2013 co-founded **Total Raptor Experience**, which is based in Ramona and has had a falconry presence at the **Torrey Pines Gliderport** since 2014. Now he has started **Fly With a Bird**, in which you can paraglide alongside a falcon.

Editor-in-Chief Nels Jensen can be reached via njensen@sdbj.com

Company Adds Fifth Ingredient to Beer: Data

SOFTWARE: More Than 100 Data Points Tracked In Brewing Biz Processes

By ELISE REUTER

Water, hops, grain and yeast.

Pulkit Agrawal became familiar with beer's four main components while working for San Diego's largest brewery, **Ballast Point**. Serving as a process engineer for just over two years, he helped Ballast point manage its packaging and canning systems.

Agrawal took his experience with Ballast Point in October of 2017 to create a new company, the **5th Ingredient**. He contends data is a key part of the equation for a good brew.

"We're helping breweries track data from grain to glass," he said. "If all of a sudden between two batches another flavor comes out, something more buttery or apple-y, you can now start pinpointing it because you're looking at the entire story with the push of a button."

Paper Logs

Right now, many microbreweries use an old-fashioned system of paper logs attached to tanks and excel sheets to track the process. A few software competitors exist, including **OrchestratedBeer** and **Ekos Brewmaster**, but Agrawal said their systems were more accounting-based, where the 5th Ingredient is more focused on the brewing process.

"It's very much chemistry- and physics-based. You can input the recipe into the system," Agrawal said. "That's what appealed to our clientele."

Agrawal's system tracks more than 100 data points across the brewing, packaging, warehousing and inventory processes. For example, a brewer could track the amount of grain that went into a particular beer, or detect if it is taking longer than usual to brew.

Efficiencies Count

In a city with more than 150 breweries, those efficiencies count.

"If you don't make good beer, it's really easy to go next door and get somebody else's beer," Agrawal said. "If you are not maintaining costs and increasing efficiency, you're going to go out of business."

The 5th Ingredient's software is sold as a service, with the price scaled depending on the size of the brewer. So far, all of its customers are craft breweries in Southern California, producing between 200 and 7,000 barrels per year. They include San Diego-based **Protector Brewery** and **Latchkey Brewing Co.**, and **Smog City Brewing Co.** in Los Angeles.

Protector, an organic microbrewery, was one of the 5th Ingredient's first customers. Co-founder **Sean Haggerty** said the software allows him to track information about each batch of beer on his phone, including how many batches of beer they can brew in one day, how much grain is in inventory after a shipment, and IBU levels (International Bitterness Units).

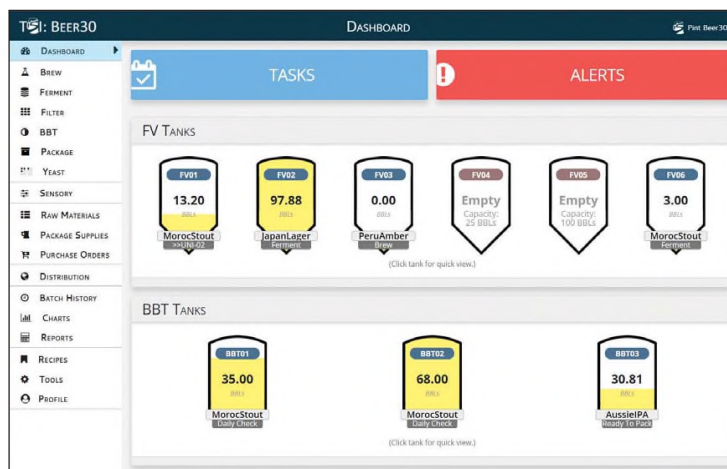
"Last year they were starting up this



Pulkit Agrawal



Ryan Allis



Courtesy of 5th Ingredient

The 5th Ingredient's platform allows brewers to track every step of the brewing process, and compare attributes between batches, such as a beer's gravity.

idea. There are a lot of competitors out there like Ekos, but I believe in Pulkit," Haggerty said. "When you brew a beer, consistency is the number one priority. We get to see the batch history and make sure we're brewing the best beer possible."

First Hire

Agrawal's work with Protector Brewing led to his first hire. Protector co-founder **Ryan Allis** joined the software company as its chief operating officer in June.

With his background in sales, distribution and engineering, Allis helped redesign the front end of Agrawal's application to make it more user friendly.

Next, the 5th Ingredient hopes to scale to breweries between 40,000 and 100,000 barrels per year. For context, Ballast Point brews about 375,000 barrels per year, while **Green Flash** brews about 91,000. The 5th Ingredient is considering raising funds in early 2019, likely a friends and family round, to hire another

THE 5TH INGREDIENT

THE 5TH INGREDIENT

CEO: Pulkit Agrawal

NO. OF LOCAL EMPLOYEES: 2

INVESTORS: Bootstrapped

HEADQUARTERS: East Village, San Diego

YEAR FOUNDED: 2017

COMPANY DESCRIPTION: The 5th Ingredient develops software solutions for breweries. Its platform helps breweries track their product through inventory, brewing, packaging, and warehousing.

software developer. But Agrawal said the goal has always been to grow the company organically.

"I'm excited to see where they go," Haggerty said. "As an entrepreneur, when someone has a spark in their eye and want to do something big, those guys at the 5th Ingredient are hungry for success."

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