

san leandro community development update

April 2012

Redevelopment and Business Development

Increased Property Sales Activity in San Leandro

- The long vacant 150,000 square foot 10.41 acre former **Simpson Strong Tie** facility at 1470-1530 Doolittle Drive was purchased by Scannel Properties. The property owners plan to reposition the property for future tenants including splitting the property into two parcels and demolishing an outdated back and William Spencer Company building on the north portion of the lot. (District 6)
- **King's Asian Gourmet**, a family-owned company that produces ethnic Korean food, purchased 1444-1446 Factor Avenue, from So Family Living Trust for approximately \$83 per square foot or \$2.5 million in cash. The 30,000-square-foot industrial facility is on 0.96 acres. The property features an office area, four dock-high loading doors and one grade-level loading door. (District 3)
- **Lighthouse for the Blind and Visually Impaired** purchased the approximately 60,000 square foot industrial building at 14680 Washington Avenue. Lighthouse will operate its light assembly of paper products in the building space once occupied by Grant Laboratories. At the front of the property, Smiling Jack Station Restaurant (formerly Straw Hat Pizza) will remain. (District 3)

Increased Leasing Activity in San Leandro

- **Mi Rancho Tortilla Factory** extended their lease for 85,000 square feet at 425 Hester Street for an additional 5 years. (District 6)
- **Jinny Beauty Supply** a large scale, multicultural beauty supply business leased 30,000 square feet at 1501 Doolittle Drive. (District 6)
- **The Annex** expanded into the former Stericycle, the provider of medical and bio-hazardous waste disposal and incineration services, has moved from its location at 1345 Doolittle Drive to a new facility in Hayward. The company cited an expiring lease and desire for a larger space with more dock doors as the reason for the move. The space has been leased by the Annex warehouse and distribution specialists. (District 6)
- **Pretty in Pink**, a local women and girl's fashion store with eight locations in the Bay Area, has signed a lease for the 1,900 square foot space at Pelton Plaza previously occupied by World of Books. The store is planning an extensive interior remodel and is scheduled to open in approximately three months. (District 1)



- The former **Quality Tune Up** building at the intersection of East 14th Street, Hesperian Boulevard and 150th Avenue was demolished on Monday March 5. The Redevelopment Agency funded the property acquisition and relocation of Quality Tune Up to 1693 Washington Avenue. The site is cordoned off by a decorative four foot high fence and the contaminated soil will be remediated. City staff is working with Caltrans on the required approvals and right of way acquisitions to implement the Measure B funded improvements to the site. These improvements include lane adjustments and signal modifications to improve traffic flow and enhance safety. This is a multiyear project with construction estimated to begin in 2014. Beautification to the site is planned, and will be designed once funding has been identified. (District 2)



- **Energy Recovery Inc.** has been awarded its second-largest contract ever to build energy-saving pumps that will lie at the heart of a new desalination plant in Israel, according to a report from the Reuters news agency, which was picked up by Patch as part of their TechLeandro series. "We are very encouraged to see the increased level of activity in the desalination industry this year," ERI CEO Tom Rooney said in a statement. (District 5)



- Office of Business Development staff attended the **International Conference of Shopping Center (ICSC)** Northern California deal-making conference in Monterey this week. The City of San Leandro had a table on the deal-making floor and spoke with numerous brokers who are looking to bring tenants to San Leandro. There was significant energy and interest in locations close to Village Marketplace as other retailers have confidence in Peet's, Chipotle's and Fresh & Easy's vetting process and want to co-locate. The City also spoke with retailers regarding opportunities at Bayfair Center and took the opportunity to inform retail brokers and developers about the exciting projects happening in San Leandro right now, such as Lit San Leandro, Kaiser and the Shoreline development.

Business Tip: Small Business Administration (SBA) Commercial Property Refinancing Programs

Until recently, the SBA 504 financing loan program was available only for the new purchase of commercial property or for business expansion. Beginning in April 2011, the program is available to refinance existing commercial real estate loans, with the specific purpose of helping businesses that got caught in the real estate downturn. Recognizing that small businesses fuel economic growth and that commercial real estate loans can pose a potential risk to their success, the federal government, through the Small Business Administration (SBA) has committed up to \$15 billion to this program. These SBA-backed loans are obtained by working with third party lenders and SBA-approved Certified Development Companies (CDCs). You can speak directly with a local SBA representative by calling 415-744-6820 or find more information at www.sba.gov



Planning, Zoning and Building Updates

- On March 1, the Planning Commission approved a conditional use permit for eCullett Inc. located at 1940 Fairway Drive. eCullett Inc. has an innovative high tech and clean glass process that is more environmentally sustainable and has processing facilities nationwide in cities like Oakland (California), Seattle (Washington) and St. Paul (Minnesota). (District 3)

- On March 15, the Planning Commission approved Zoning Code amendments to Article 19 (Landscaping Requirements). The amendments incorporated Bay-Friendly landscaping requirements and updates from StopWaste.org, which is the public agency formed through the merging of the Alameda County Waste Management Authority and the Alameda County Source Reduction and Recycling Board. These amendments will be presented to the City Council for review and approval on April 16. (Citywide)
- On March 19, the City Council held a second public hearing within a one month period to review Zoning Code amendments related to assembly use, commercial recreation and entertainment activity uses in the industrial districts. The City Council approved the industrial district amendments to create the Industrial Limited (Assembly Use Overlay)(IL[AU]), Industrial General (Assembly Use Overlay) (IG[AU]), and Industrial Park (Assembly Use Overlay)(IP[AU]) Zoning Use Designation Lists and to specify assembly uses, commercial recreation and entertainment activities as conditionally permitted in the use designation lists for these three new industrial overlay districts. In addition, the City Council approved deletion of commercial recreation from the IL and IP districts and deletion of entertainment activities from the IL, IG and IP districts. (Citywide)
- Current Planning Calendar (as of March 31, 2012 and subject to change)

Event	Date/Address/Project Description/Approval Type (District #)
Board of Zoning Adjustments	April 5, 2012 – no meeting May 3, 2012 – no meeting June 7, 2012 <ul style="list-style-type: none"> • 2539 Grant Ave/Halus Power Systems/Variance (D4) • Roberts Rules of Order Briefing
Planning Commission	April 19, 2012 <ul style="list-style-type: none"> • E. 14th St & Juana Ave/Village Marketplace/PD & GPCF (D1) • 2015 Laura Ave/Sale of Hugo’s Linen site/GPCF (D6) May 17, 2012 – no meeting
City Council	March 19, 2012 <ul style="list-style-type: none"> • Zoning Code amendments/ assembly, commercial recreation uses, & entertainment activities in industrial districts (City) April 9, 2012 (Work Session) <ul style="list-style-type: none"> • San Leandro Crossings update April 16, 2012 <ul style="list-style-type: none"> • 2661 Alvarado St/C&M Trailer Rentals CUP Revocation Appeal (D3) • Zoning Code amendments re: landscape requirements (City) May 21, 2012 <ul style="list-style-type: none"> • E. 14th St & Juana Ave/Village Marketplace/PD (D1) June 18, 2012 (Work Session) <ul style="list-style-type: none"> • Medical marijuana update (KL)
Administrative Review (AR)	<ul style="list-style-type: none"> • 14800 Washington Ave/T-Mobile wireless telecomm in ROW/AR (D3) • 130 Greenhouse Market/McDonalds 2nd drive-thru/PD mod (D4)

Notes: CUP (conditional use permit); PD (Planned Development); SPR (site plan review); TUP (temporary use permit); GPCF (General Plan conformity finding)

Housing and CDBG

- City Council approved release of the City’s draft FY2012-13 U.S. Department of Housing and Urban Development (HUD) Annual Action Plan for a 30 day public review/comment period from March 16 – April 16 and set a final public hearing date for the plan on April 16. Due to significant

cuts in federal Community Development Block Grant Program (CDBG) funding next year by HUD, the draft plan reflected reductions in CDBG allocations for public services, CDBG administration and capital improvements. (Citywide)

- The nonprofit developer, Eden Housing, Inc., held on March 23 a grand re-opening for Eden Lodge, a 143 unit affordable senior rental housing complex located at 400 Springlake Drive. Eden Lodge was originally developed in 1980 with City assistance, but recently required extensive renovations. In 2011, Eden Housing refinanced and completed major rehabilitation (including solar photovoltaic system, solar hot water system, energy efficient hot water boiler, central heating system, and sustainable landscaping), of the apartment complex through HUD and California Housing Finance Agency financing assistance and leveraged private lending funding. Eden did not need any City subsidy on this project. (District 2)

Economic Trends

- Through February of the 2011-12 fiscal year, the Division of Building and Safety issued 1,635 permits, with a total project valuation of \$140 million. The number of permits issued was up 1.05% from the same period of the prior year; however the valuation of the projects was up by 506%. This significant increase in project valuation is due to the construction of the Kaiser Medical Center and improvements at the City's Water Pollution Control Plant. (Citywide)