

**City of San Leandro
Community Development Department**

Community Development Update

Date: April 24, 2009
To: Steve Hollister, City Manager
From: Luke Sims, Community Development Director
Subject: March/April 2009 Update

Up Front:

- Business Development staff has created an exciting newsletter highlighting our revitalization efforts Downtown. The **Downtown San Leandro Quarterly Update** will include information on capital improvement projects, the return of the Seasonal Farmers' Market, private investment through the Agency's Commercial Façade Improvement Program, an update on the Downtown Association and Main Street Property Services, Inc.'s quarterly report. The newsletter will be distributed to Downtown merchants, commercial brokers and prospective retailers. The first quarter newsletter is included in this week's packet.
- **Energy Recovery Inc.**, a global leader in the development of ultra-high-efficiency energy recovery products and technology for water desalination, has signed a lease agreement to move into 140,000 square feet of office and manufacturing space at **1717 Doolittle Drive**. The company will be consolidating their current operations (two located in San Leandro and one in Oakland) to this recently repositioned building maintaining their world headquarters in San Leandro. Approximately 65 employees will work there initially, with room to grow. Permit applications have been submitted for significant interior tenant improvements. Move in date is anticipated for Fall 2009.

The company is internationally recognized for their specialized products that recapture energy from the salt-water desalination process allowing for cost-effective production of potable water. Communities throughout the world are using this green technology to produce fresh water supplies particularly in arid regions. An informative video is available on the company website which explains how the technology was used at a water plant in Perth, Australia. For more information consult their website at www.energyrecovery.com.

- Announced to the City Council in February, we can now confirm the opening of **NorCal Kenworth Trucks – Bay Area, Inc.** located at **1755 Adams Avenue**. The company has completed its relocation from Oakland bringing a substantial source of sales tax revenue to San Leandro. The company has purchased the property from the prior owners and is finishing some remodeling work on the building. The San Leandro headquarters is at the center of a network of service centers and sales offices serving the entire Northern California region north to the Oregon border. The company will employ approximately 50 at the San Leandro office in administration, sales and service.

Major Planning Applications and Permits

- **Ariana Worldwide Logistics**, a shipping company that primarily ships vehicles from the Bay Area to other countries via shipping containers, is seeking to occupy the site of former Nor Cal Pottery business at **2095 Williams Street**. Vehicles arrive at the site via flatbed or tow truck and will be stored outdoors before being moved indoors and prepared for placement inside containers which involves minor disassembly. Vehicle Storage is a conditionally permitted use in the Industrial General (IG) zoning district. In addition to the shipping activities, a small portion of the business will be devoted to internet-based used car sales, which is administratively permitted by the city's zoning code.

The subject property consists of approximately 97,574 square feet (2.24 acres) and is currently developed with a 28,605 square foot warehouse and a 3,500 square foot office building. Changes to the outdoor areas primarily involve a new 10-foot-wide landscape strip across the front of the property, removal of the chain link fence along the front property line and installation of a new wrought iron fence with gates, 10-feet behind the new landscaping; and restriping of parking spaces. The proposed use requires a Conditional Use Permit, which will be considered by the Board of Zoning Adjustments on May 7, 2009.

Housing/CDBG Project Updates

- Staff is currently writing the final draft version of the city's **Housing Element update**. The Housing Element is the part of the City's General Plan that addresses affordable housing and San Leandro's future housing needs. The draft, which will be forwarded to the California State Department of Housing and Community Development (HCD) for review, will then be considered by the Planning Commission and City Council at public hearings this summer. This plan lays the groundwork for San Leandro to meet its regional housing goals through 2014. Several public meetings have all been held in the past year to gather community feedback and additional public hearings will be held in the summer after HCD issues its certification letter to San Leandro.

- Staff is finalizing an agreement with the Metropolitan Transportation Commission (MTC) for payment on the \$200,000 MTC grant that will be used to develop a **BART Station-Pedestrian Interface plan**. This plan will develop a design for a better BART access plan and also ways of making the area around the San Leandro BART station safe for pedestrians and bicyclists. This is a part of the city's Transit-Oriented Development (TOD) strategy and is being used to facilitate people walking from the BART station to the city's downtown area.
- The inventory of affordable homes for sale has increased significantly over the past two years or more in San Leandro. The **First-Time Homebuyer Program** has been instrumental in helping first time buyers purchase affordable homes in San Leandro. Since July 2007, **23 loans** have been approved and several new applicants are pending approval before the end of the fiscal year on June 30.
- The **Estabrook Senior Housing** development will have its official groundbreaking on **May 1, 2009 at 12:00 noon**. The event will be held on-site at 2103 East 14th Street.

Redevelopment Agency, Business Development and Economic Trends

- As reported in the press, **Marina Buick/Pontiac/GMC** closed its doors at the end of March. Information on the closure was kept private and was not known by staff prior to the press release issued by the company. The principal owner of the dealership is also the owner of the property and is working with staff to seek another dealership for this highly visible site. With the current economic climate, it is not known how long it may take to secure another dealership, especially given the unpredictable nature of the automobile industry as a whole. The original project was constructed in 2001 as the result of a Redevelopment Agency agreement to convert the former GM Training Center into an automobile dealership. The owner is confident that due to the strong location adjacent to the freeway, a new franchise will be attracted to the highly desirable location.
- The City of San Leandro and the San Leandro Chamber of Commerce are working in partnership to establish **San Leandro Industrial Councils** to ensure the future of San Leandro's strong industrial community is not left to chance. There are five industrial areas in which councils are being formed: Adams, Davis-Doolittle, Fairway Catalina, Kaiser, and Washington-Alvarado. The goal of the industrial councils is to develop strategies specific to each area that enable companies to compete in the marketplace, support businesses in local sourcing efforts and attract new industries and employees to the area. Two very productive meetings have been held to date with more to follow.

- Business Development staff has also begun meeting with participants in the **East Bay Green Corridor** to discover how the City can benefit from this exciting partnership. The Corridor is in the process of recruiting for an Executive Director and a launch is planned for June 2009 to announce the addition of the Cities of Alameda, Albany, El Cerrito and San Leandro, and the Peralta and Contra Costa Colleges.
- The **Shoreline Development Citizen Advisory Committee (Shoreline CAC)** met monthly to learn about the City's past development attempts and of the various development constraints, i.e., zoning, General Plan, costs of maintaining boat harbor, expense of dredging, environmental challenges and regulations, etc. On April 15, the 33-member Shoreline CAC was divided into three groups. Each group was assigned the task of creating a master plan for the shoreline area, which will then be presented at the June 17th meeting. Each group will be asked to attend the Town Hall meetings on May 20th and 28th to listen to the general public and their opinion and recommendations for the shoreline area.
- Business Development, on behalf of the Redevelopment Agency, created a 3/8ths page advertisement which ran in the April 3, 2009 issue of the **San Francisco Business Times**. The promotion was part of a special section on the I-880 Corridor. "The Future of San Leandro - The Smart location to do business" ad highlights upcoming development in San Leandro, featuring Kaiser Permanente, Creekside Plaza, San Leandro Crossings and Shoreline development.
- The **East Bay EDA's Economic Forecast**, an annual event for business and government leaders to hear an analysis of the many factors driving the national, state and East Bay economies, is scheduled for May 8, 2009 at the Marriott in Walnut Creek. Register at eastbayeda.org or call 510/272-6843.
- Groundbreaking festivities for the third phase of the **Creekside Plaza Office Complex** will be held on **May 4, 2009 from 11:30 a.m. to 1:30 p.m.** The event will be held at the site adjacent to the construction.
- **In Brief:** The Downtown San Leandro **Starbucks** located at 1443 East 14th Street will be closing May 9th as part of a nationwide downsizing of underperforming stores.