Castro Valley MAC
Daughtrey’s
Preferred Developer Selection
Continued from June 1, 2017 MAC Meeting
Where are we in the process?

February 22 – MAC approved Request for Interest / Development Concept
March 1 – RFI issued
March 24 – RFI responses due
April – Staff and Consultant evaluation of proposals
May 10 and 12 – Interviews with Selection Committee (3 members of the MAC, ECD, Planning and Surplus Property)
June 1 – Top three ranked proposal presentation at Special MAC meeting to select preferred developer – continued to July 17th
June 1 – July 16 – follow-up and technical review
July 17 – MAC meeting to select preferred developer
Tonight

- ECD Presentation
- Community Input/MAC Deliberates
- MAC Recommendation for “Preferred Developer”
• ~40,000 square feet in building: 15,000 basement, 15,000 ground floor, 9,000 mezzanine
• 25,000 square feet of net leasable space is available for use due to Shared Parking
• Water flowing beneath building enters under the freight elevator and is continuously pumped and is contaminated by outside source (dry cleaner)
• Water treatment system within the building needs to be maintained - RWQCB Permit
• CEQA already approved for retail/commercial use only
Shared Parking Facts

• Shared Parking supported by Specific Plan
• Consultant retained to determine parking ratio for a retail shared parking project (3.3 spaces per 1,000 square feet of building space)
• Shared Parking Agreement took 4 years to negotiate
• Shared Parking program and ratio approved by MAC and Planning Department - included 25,000 square feet of retail in Daughtrey’s Building
• $4.8 Million Shared Parking improvements underway – 165 shared parking spaces, two paseos, two garbage enclosures, entrances/exits on CV Blvd and Wilbeam, meets C3 requirement
• Shared Parking Agreement executed by Alameda County (Daughtrey’s and Wilbeam parcel) and 3 adjacent property owners (Chau, Fong and Schweng)
• Shared Parking Agreement prohibits overnight parking or removal of any parking spaces. Any changes to agreement require approval of ALL parties
RFI Goals for Catalyst Site

- Offer **new, unique & high-quality restaurant(s), food-related and retail**
- **Catalyst project** – attract new customers, shoppers and **diners** to downtown Castro Valley
- Uses the new **paseo with outdoor dining**
- Deliver a **transformative design and outstanding architecture**
- **Highly qualified development team** with the **experience** and **financial capability** to deliver an outstanding project
- Experience with **public/private partnerships** and extensive public engagement
Based upon its May 10th & 12th interviews, the Selection Committee ranked:

1. Main Street Properties first – 97% score
2. Bay Area Urban second – 82% score
3. Alikian/Samson Properties third – 68% score
## Evaluation Criteria with Scores

### 3295 Castro Valley Boulevard RFI Responses

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<th>Maximum Points</th>
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**Total**                                                                                                                               | **120**        | **97%**     | **82%** | **68%** |
Summary of Main Street Proposal

Ranked #1
Summary of Main Street Proposal

Ranked #1

#1 - Main Street Properties
• Retail-only project: 24,000 sq. feet “department store of food”.
• 1st floor features a natural food store (8,000 sq ft) and other food related uses including a restaurant using the paseo for outdoor dining.
• Basement will include Castro Valley Speakeasy Restaurant (6,000 sq ft) with the remainder used as storage for the 1st floor tenants.
• 2nd floor could include a cooking school, yoga/pilates studio, salon/spa and cookware shop.
• Parking - Meets current Shared Parking Agreement
• Planning - CEQA complete
• Project Experience – 36 projects
• Retail Commitment – Alameda Natural Grocer and Blind Tiger (owner/operators)
• Financial Capacity – Scored 100%
Summary of BAU Proposal

Ranked #2
#2 – Bay Area Urban

- Mixed-use project with 8,750 sq feet of retail on ground floor and 9 market-rate residential units on 2nd floor
- Retail tenants include The Mexican Restaurant, CV Taphouse, and Journey Coffee – all enjoying access to 2,500 sq foot interior courtyard
- Basement proposed use is for storage (rental and tenants)
- Parking – residential tenants will park in the Shared Parking Lot and will require amending the Shared Parking Agreement
- Planning – requires new CEQA review due to inclusion of housing and requires a Specific Plan Amendment for non-tenant storage adding time to approval process
- Project Experience – 4 projects
- Retail Commitments – The Mexican, Journey Coffee, CV Taphouse (leasees)
- Financial Capacity – Scored 38%
Summary of Alikian/Samson Proposal

 Ranked #3
#3 – Alikian/Samson Properties

- Mixed-use project with 11 to 12,000 sq feet of ground-floor retail, including an unnamed restaurant and wine bar, 3 unnamed retail tenants, and Henry’s Coffee.
- Second floor features 12 to 14 market-rate residential rental units and 8 units on the third floor.
- Restaurant and wine bar share direct access to paseo.
- Parking – residential units park in basement which eliminates several spaces to access the basement from parking lot, triggering amendment to Shared Parking Agreement; unclear on what type of basement parking method is being proposed (drive down ramp or electric auto-park system) or how many parking spaces will result.
- Planning – requires new CEQA review due to inclusion of housing and requires a Specific Plan Amendment for non-tenant storage adding time to the approval process.
- Project Experience – 0 projects.
- Retail Commitments – Henry’s Coffee (lease).
- Financial Capacity – Scored 50%.
Selection Committee considered developer’s ability to deliver a “contingent-free” project:

- Significant and related experience
- Has secured tenants for significant amount of space in building
- Has funding in place or commitments to complete the project
- Consistent with zoning and CEQA
- Parks project under current Shared Parking Agreement
Think about buying a house – down payment, pre-qualified by lender, good credit score

- Main Street 100%
  - Pre-commitment letter from bank, personal financial statements with schedule of assets for all four proposed partners; shows ability to finance project construction through both debt and equity AND to tap liquid assets

- BAU 38%
  - Submitted company balance sheets – not sufficient information to assess ability to provide equity or secure debt

- Alikian 50%
  - Schedule of real estate assets and personal financial statements; real estate assets are not liquid and must borrow against or sell for project
Follow-Up: Agreement to Amend Shared Parking Agreement from Shared Parking Participants?

- Main Street
  - No amendment to Shared Parking Agreement required
- BAU
  - No written approval from Shared Parking Agreement members provided to staff
- Alikian
  - No written approval from Shared Parking Agreement members provided to staff
Follow-Up: Structural Conditions /Challenges

Level of Structural Modifications Required

- County secured Structural and Civil Engineer evaluation of building
- Assessment is based on requirements for seismic upgrades, foundation and other considerations for second and third floor residential, basement use and water treatment:

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<td>Openings in exterior wall along Paseo</td>
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<td>Additional Seismic for 3&lt;sup&gt;rd&lt;/sup&gt; floor, additional foundation support for 3&lt;sup&gt;rd&lt;/sup&gt; floor residential, kitchen hood ventilation through residential levels, possible Fire Department access issues for 3&lt;sup&gt;rd&lt;/sup&gt; floor residential, basement parking ramp and queuing</td>
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Next Steps in the RFI Process for Community Input

- Board of Supervisors considers approval of ERNA with preferred developer
- ECD returns to MAC with a draft Disposition & Development Agreement (DDA), followed by presentation to Unincorporated Services Committee
- Board of Supervisors considers approval of the DDA
- MAC’s Site Development Review process
Based on Selection Committee scoring, technical review and follow-up with development teams since June 1st MAC meeting staff recommends:

#1 Main Street Properties
- Most Experienced
- Met Key RFI goals
- Strongest Financially
- Most feasible/ready-to-go
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Shared Parking Plan