

Samson's Properties

PO Box 20172 Castro Valley, CA 94546 (510)537-5825

3/24/2017

Alameda County Community Development Agency
Economic & Civic Development Department
ATTN: Susan McCue
224 W. Winton Avenue, Room 110
Hayward, CA 94544-1215

Susan,

We appreciate the opportunity to present our proposal for the development of the Daughtrey's Building at 3295 Castro Valley Blvd. This is a project that we are very excited to be a part of as we are current and longtime residents of Castro Valley and have a vested interest in seeing this property serve as a catalyst project for the revitalization of the downtown business district. We have a strong presence in the community and have the know-how and ability to complete this project and incorporate both the county's vision as well as the community's vision for this property. We see this project as being driven by both the economic necessity for the county and Castro Valley and also the surrounding community's desires for additional food/retail/and service oriented businesses.

To address some of the details you require for this Transmittal Letter-

- **Developer Info**

Samson's Properties
PO Box 20172
Castro Valley, CA 94546

- **Legal Structure of Entity**

An LLC will be formed with the Secretary of State in CA to hold title of the building once our development team is given the exclusive right to negotiate with Alameda County. This LLC will manage all facets of development, construction, leasing, management, and maintenance of the property including the shared parking facilities. We hold title to other properties in this same LLC structure and this type of entity works best for projects of this size.

- **Contact Information for Primary Contact**

Shawn Alikian, Samson's Properties - Managing Partner

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- **Other Names and Relationships Included in This Proposal**

Financing

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Gene Anderson, Fremont Bank - Director Commercial Underwriting

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Architect

Edward C. Novak, ECN Architecture - Architect LEED AP

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Engineer

Steve Fedewa, IDS Engineering Inc. - President

Ph (925)413-3378

stevef@ids-eng.net

This is a team that we have developed projects with in the past and we have the confidence that we can complete the Daughtrey's Building redevelopment project with the same players and also incorporate our extended network of partners when necessary. The largest hurdle in a project like this is financing and generating interest for commercial occupants. With a well-conceived plan, an attractive location, and financial incentives for potential businesses, we can deliver a catalyst project that all involved parties and the community of Castro Valley will be proud of.

Thanks,



Shawn Alikian

2. Development Team Summary

Description of Core Business

- Samson's Properties is a property management and development business that owns and manages property in and around Castro Valley that consists of multi-family apartments, mobile home parks, commercial buildings, and land for development. Each property that has been acquired over the years has been in need of severe rehabilitation and now reflects pride of ownership as well as a historically zero vacancy rate whereas the industry standards are 5-8% for residential and 9-11% for commercial.

Number of Years in Business

- Samson's Properties has been in the property management business since 1977 and has been acquiring and managing property ever since. Number of full-time employees is 4

Key Team Members

- ***Shawn Alikian***, Owner/Partner - CA Licensed General Contractor
Shawn will oversee all aspects of design, construction, and project management for the rehabilitation of the Daughtrey's Building. He has held his General Contractor's license since 2005 and has completed many projects large and small including new construction and building rehabilitation. His no-nonsense style leads to projects getting completed on time and under budget.

Hera Alikian, Owner/Partner - CA Licensed Realtor

Hera will oversee all aspects of design, marketing, and leasing of the commercial spaces in the project. Hera's extensive knowledge of both commercial and residential real estate in the east Bay Area will be a tremendous asset to ensuring that this building is occupied by businesses and tenants that fit the criteria set forth by the county and demanded by the community. She has managed property in the immediate are for over 20 years and her aggressive approach has led to a zero vacancy rate for every building she has managed in her career. Hera understands that her role is to serve not only the property owners and tenants she attracts to each location, but also the neighborhoods that will benefit from their occupation of the properties.

Ara Alikian, Owner/Partner - Attorney, Member of the CA State Bar Assoc. Ara will oversee all aspects of design, leasing, and management as well as serving as lead counsel throughout the duration and life of the project. He has served as lead counsel for Samson's Properties since 2007 and has an intricate knowledge of real estate law as well as employment law and construction law. During his tenure as lead counsel, Ara has overseen the acquisition of new properties as well as negotiating contracts to facilitate the rehabilitation and remodeling of properties in neglect. Ara's expertise is in resolving issues between conflicting parties well before the need for litigation and legal remedies. This philosophy has proven to be a great asset in Samson's Properties daily operations.

Edward C Novak, Architect - ECN Architecture

Ed has been working with the Alikian family since 2009 on several projects and is currently designing a mutli-family project in unincorporated Alameda County for Samson's Properties. His forward thinking vision will be essetnial when working on a building such as the Daughtrey's Building. He has been the lead architect on hundreds of projects both commercial and residential and his credentials will be key in creating a catalyst project for downtown Castro Valley. After a site tour on March 8th, Ed commented on how he wanted to be a part of this **project that will help redefine Castro Valley Blvd** for the better.

Steve Fedewa, Engineer – IDS Engineering Inc.

Steve has also been working with the Alikian family since 2009 and was recommended by Ed Novak as the principal engineer for a residential project. We immediately recognized the value of having an engineer and architect that share the same vision and communication styles. There is no project too big or too small for Steve. His many years of experience have proven that there is multiple **ways to engineer a project where** cost and time are usually the driving forces. Steve is excited to take on this development project as he has stated to us numerous times that he has always sought out unique projects to showcase his abilities.

Private/Public Venture

- This project will not be a joint venture with any other partners outside of Samson's Properties and the Alameda County Community Development Agency. We envision a streamlined approach with direct oversight from the Development Agency and input from the surrounding community of Castro Valley. This property has historical significance in the

area and we would like to include as much input from the residents of Castro Valley as the County will allow. Samson's Properties will facilitate the modernization of this property and secure the commercial tenants that will provide the goods/services that are wanted.

3. Description of Relevant Experience

- In the interest of full disclosure, most of Samson's Properties past projects have been multi-family rehabilitation projects with one 6000 sq ft commercial building rehabilitation on Castro Valley Blvd. This commercial building was purchased and underwent a major rehabilitation along with façade improvement with the assistance of the former Alameda County Redevelopment Agency. The majority of our properties were in neglected and mismanaged condition and were in need of significant attention. We have completed new construction single family residential as well and our most recent new construction project is a multi-family 15 unit building located in Unincorporated Alameda County that is still in the design and approval process. We kindly ask that we are seriously considered for the Daughtrey's Building despite a lack of experience with this exact type of project. Samson's Properties financial strength and market understanding are our two biggest assets and with our lending and construction partners, we can deliver a completed project that the community will greatly benefit from and be proud of. We are local property owners that still live in town and our willingness to take the County's guidance and community input throughout this whole process should be of significance. Also it should be noted that we have both a successful local restaurateur and other retail contacts that have expressed great interest in placing businesses in this location if we can deliver a building to suit their needs.

4. Demonstration of Financial Capacity

- Samson's Properties is a management business and most properties are held in trusts owned by the principal owners Nshan, Hera, and Ara Alikian. There are only personal financial statements available for the individual owners and not the business as a whole due to the ownership structure of the properties. There have never been any loan defaults by any member of the business or any bankruptcies filed. Almost all properties are owned outright with the exception of 2 (the latest one purchased and a personal residence which has a small loan scheduled to be paid in full before maturity).

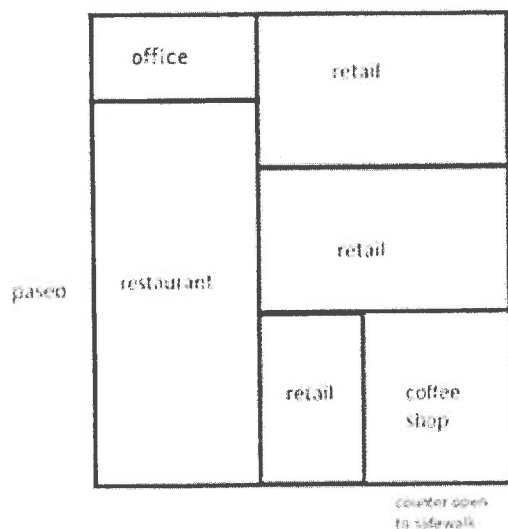
- Please see personal financial statements for the Owners/Partners of Samson's Properties and keep all information Confidential and Private and for no public access to these documents. Also there is an attached schedule of real estate assets held by all partners combined.
- The principal partners of Samson's Properties have several long standing relationships with various banks that are willing to finance the construction portion of this project. Our preferred lender is Fremont Bank, who has a 'community first' philosophy and has expressed great interest in financing the rehabilitation of the Daughtrey's Building. To demonstrate support of our team, senior commercial banking managers from Fremont Bank are willing to attend any upcoming meetings and express their support for Samson's Properties and our vision for this project.

5. Preliminary Development Concept

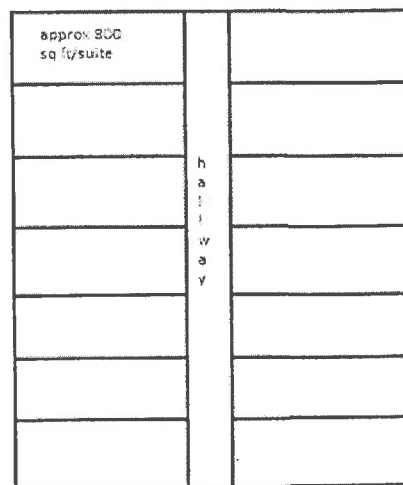
- See attached renderings. We envision this building as a transformative structure that will promote additional investment and interest into downtown Castro Valley and the Boulevard. We are enclosing a couple of different renderings for your review to help visually demonstrate the concept that we would like to offer. The first concept is an industrial brick building with steel accents that bring a unique look that highlights this building and makes it stand out from the rest of the commercial buildings on Castro Valley Blvd. This building incorporates the look of the San Francisco Giant's stadium in San Francisco along with the old rustic feel that will make it a focal point of the business district. The second concept is more of a Mediterranean look that has the look of an adobe building which at one time was very prominent in the East Bay Area. Both concepts will work well in this location and we are excited to hear both the County's and Public's feedback on the designs.
- The paseo side (east side) of the building will be accessible to patrons of a restaurant that will occupy a majority of the left half of the building. The entrance to this restaurant will be through a new clock tower on the east corner and the paseo will have doorways that lead out to the outdoor seating area. The building and restaurant will be designed to make easy access to the paseo for both pedestrian traffic and restaurant patrons. It is anticipated that the paseo will be used by all surrounding businesses and not just the one restaurant on the east side of the building.

- The building will be sub-divided into several retail units. The largest of these will be a 6000 sq ft restaurant on the north east corner of the building adjacent to the pedestrian paseo. On the northwest corner of the building will be approximately a 2000 sq ft coffee shop with an open air counter for pedestrian patrons and also an interior seating area. The remaining square footage of the ground floor will be additional retail space divided up into approximately 2000-2500 sq ft spaces, with a possibility for office space as well. It should be noted that the optimal floor to ceiling height of most modern commercial spaces are no less than 12-15 feet. Given the interior height of the current building, it may be difficult to accommodate 2nd floor office or retail space. The 2nd floor of this building can be configured to accommodate either additional office or ideally residential, however underground parking would need to be a consideration in either of these scenarios due to the County requirements for those types of uses. Utilizing square footage on the 2nd floor is definitely an option; however at this time, achieving the best use and fit for ground floor retail/restaurant space is our primary objective. Another possibility since this project will be a public/private venture is the accommodation of space for public use ie: meeting rooms, discounted office space made available for public entities, or incubator startup space for local businesses. These options can be further explored once more detailed architectural work is performed to achieve maximum use of the existing footprint of the building. Please see tentatively proposed diagrams below-

First Floor Retail/Dining



Second Floor Office/Residential Suites



- The level of quality to be expected from this project is moderately upscale as it must fit into the demographics of the area and be accessible to the widest cross section of the public. The restaurant will be an upscale brewery style establishment ranging from gourmet foods to simple tastes. We don't want to attract a restaurant that will be unaffordable by the people that want to eat and shop in Castro Valley. The coffee shop and other retail establishments will be of the same look and feel as something you would find in downtown Pleasanton or Walnut Creek. The key factor is what goods and services will be offered and at what prices. These will be dictated by both the businesses that occupy the building and also the cost per square foot and other overhead that those businesses incur. Amenities available to the commercial tenants will be those that are standard and to be expected elsewhere in new commercial developments. Storage and parking are two of the most common issues that business tenants face and those will be accommodated for by the new shared parking program and the basement of the building to be available for some storage dependent upon the leased square footage on the ground floor. Very visible street signage as well as easy access to and from storefronts will be one of the projects main focuses in order to attract traffic and business to maintain long term success for each commercial occupant.
- Development schedule shall take no longer than 12 months once the exclusive right to negotiate period has expired between Samson's Properties and Alameda County. We are already in talks with partners for the 2 largest spaces in the building and feel that with the right amount of incentives and financial assistance, the building can be more than ½ leased prior to any physical construction beginning. Once Alameda County has given clearance and all formal permits have been granted, construction shall take no longer than 12 months to deliver a completed building ready for the commercial tenants.
- We are proposing re-use and renovation of existing structure with significant modification to the façade, roof, and openings (entry/exits, windows, etc). The building will have to be significantly fortified to achieve the necessary structural integrity to make it safe and up to current building codes. If deemed necessary, we are also open to removal and replacement of the existing structure with new construction; however after our initial inspection of the building, we feel there is significant potential for the building and our first consideration is to re-design and retrofit the existing structure for the best use of commercial and retail space.

6. Market Overview and Land Value Estimates

- Market conditions have historically varied with regards to commercial buildings in Castro Valley. Forecasting demand for space in Castro Valley is difficult as the area is not a 'regional draw' but more of a local draw. Samson's Properties has roughly 20 years of experience managing commercial space in Castro Valley and has come to realize that a building owner is as much a partner in the success of a building's occupants as the business owner. That being said, Castro Valley does still have a strong consumer base and benefits from shopping centers such as the Castro Village and major retailers within the area. With mean family income estimated at \$106,830 in Castro Valley and high traffic counts on Castro Valley Blvd, the Daughtrey's building can be a major player in the retail and commercial landscape of the downtown area if managed properly. After years of experience and following market trends, we have discovered that the 'sweet spot' for costs per square footage in Castro Valley is approximately \$2.00-2.50/sq ft. Some properties demand much more than this but they also seem to be the properties continually vacant for long periods of time. And given the history of this building, the community has zero tolerance for more vacancies at this location. A generous and business friendly approach will be one of the main philosophies needed to ensure this building is fully occupied and businesses can achieve the success necessary to stay long term.
- Commercially Zoned land value estimates are also difficult to predict as the main driver is demand. As previously mentioned, commercial demand is based upon several factors that don't necessarily follow economic trends. Currently there are numerous vacancies up and down Castro Valley Blvd and Redwood Road in both retail and office spaces. This shouldn't be alarming, but it is actually the norm in commercial real estate. However, demand for residential real estate remains very high in the area. Dependent upon zoning, residential real estate can command upwards of \$2-2.5M per acre. This is evidenced by comps in the local market and recent sales. But commercially zoned property is much different and depends more upon location and access than residential real estate. That being said, we have seen commercially zoned vacant land valued at about \$800-900,000 per acre. That doesn't necessarily translate with regards to this property due to the age and size of the building as well as the environmental issues it faces. It may have technically reached a point of economic obsolescence, but with creative design and forward thinking, we feel we have the right team to make this project economically viable and a vibrant commercial hub in the center of

Castro Valley. Also, it should be noted that if a residential component is added to this property (2nd story lofts), the long term viability of this property greatly increases as the residential component will offset any financial losses due to commercial vacancies. This benefit is most realized during periods of economic downturn where demand for commercial space is lower and rents can be adjusted to encourage full occupancy of the building. In addition, with residential units on the second floor, the building will always have a heartbeat and be lively which has always been an issue for this building in the past.

7. References

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- Ron Hernandez, Union Bank - Senior Director, Commercial Real Estate
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- Kohar Kojayan, Foster City - Senior City Planner
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kkojayan@fostercity.org
- We have successfully worked with both Eileen Dalton & Jaime Orfanos in 2004 on a façade improvement project for a commercial building on Castro Valley Blvd. We have also recently worked intimately with Supervisor Nate Miley and his staff on a multi-family housing matter over the last 25 months and the end result was of great benefit to local property owners and residents alike.









