

Castro Valley MAC Daughtrey Preferred Developer Selection



June 1, 2017

Tonight

- Selection Committee's Recommendation
- Presentations - 3 highest ranked proposals
- Community Input
- MAC Recommendation for "Preferred Developer"



Background: RFI

- RFI was a departure from prior approach
- More proactive - prescribed desired uses and sets goals for site
- Seeking a public/private partnership
- The County is more interested in achieving these goals than in maximizing the land value
- Request for Interest/Dev. Concept (RFI) sent out March 1st



Background: Goals for Catalyst Site

- Development project that offers upscale, high-quality restaurant(s), food-related and retail uses offering new, unique choices
- A catalyst project that will attract new customers, shoppers and diners to downtown Castro Valley
- A project that incorporates the new paseo with opportunities for outdoor dining
- Delivers a transformative design and outstanding architecture
- A highly qualified development team with the vision, experience, and financial capability to deliver an outstanding project
- Experience with public/private partnerships and extensive outreach and public engagement
- Generates new sales and property tax revenues

Responses to the RFI



Six responses successfully met the RFI criteria by the March 24th deadline and were invited to interviews on May 10th & 12th.

The Six Responses

- Main Street Properties
- Bay Area Urban Development
- Alikian/Samson Properties
- Miklyn Development
- Gryphon/CBRE
- Mash/Kimmel

Selection Committee



MAC Members: Marc Crawford (Chair), Ken Carbone, Sheila Cunha

County Staff: Eileen Dalton, Susan McCue-Economic and Civic Development
Sonia Urzua-Planning Department
Stuart Cook- Surplus Property Authority

Facilitator: Kristin Perrault-Economic and Civic Development

Consultant: ALH Economics

Selection Committee's Ranking of Proposals

Based upon its May 10th & 12th interviews, the Selection Committee ranked:

1. Main Street Properties first - 97% score
2. Bay Area Urban second - 79% score
3. Alikian/Samson Properties third - 67% score

Selection committee invited top three-ranked teams to share their proposals this evening

Selection Criteria

- Development Concept - how well does the proposal conform to concept desired by the community for upscale, high-quality restaurant, food-related and retail uses offering new and unique choices
- Project Goals - how well does the project meet the RFI goals for a catalyst project
- Experience with Public/Private Process - how much experience with other public/private projects, particularly working with the local community
- Development Experience - how strong is the developer's experience with similar projects
- Architecture/Design - is the architecture outstanding, is the design transformative and does it incorporate the new paseo
- Development Schedule - is the proposed schedule reasonable
- Proposer's Financial Capacity - how strong is the developer's financial capacity to deliver

Developer Qualifications & Readiness



- Selection Committee considered developer's ability to deliver a "contingent-free" project:
 - ✓ Meets current zoning
 - ✓ Has secured tenants for significant amount of space in building
 - ✓ Has funding in place or commitments to complete the project
 - ✓ Parks project under current Shared Parking Agreement

Shared Parking Agreement

- Did not anticipate residential units
- Residential/overnight parking and/or removal of any parking spaces requires an amendment to the Agreement
- To amend, a developer must secure agreement from four other property owners that are party to the Agreement

Shared Parking Plan



Summary of Three Top-ranked RFI Proposals

1

#1 Main Street Properties

- Retail-only project featuring a 24,000 sq. feet “department store of food”
- 1st floor features organic specialty grocer, stalls and kiosks with cheese, wine, florist, and bakery/café using the paseo for outdoor dining
- Blind Tiger Restaurant to operate Castro Valley Speakeasy restaurant with cocktails and tapas in portion of basement
- 2nd floor features a cooking school, yoga/pilates studio, salon/spa and cookware shop
- Meets current Shared Parking Agreement

Summary of Three Top-ranked RFI Proposals

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 non-tenant storage and would require land-use amendment
- Parking - shared parking lot for residential units requires amending the Agreement

Summary of Three Top-ranked RFI Proposals

3

#3 - Alikian/Samson Properties

- Mixed-use project with 11,000 - 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 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

Next Steps in the RFI Process/Community Input



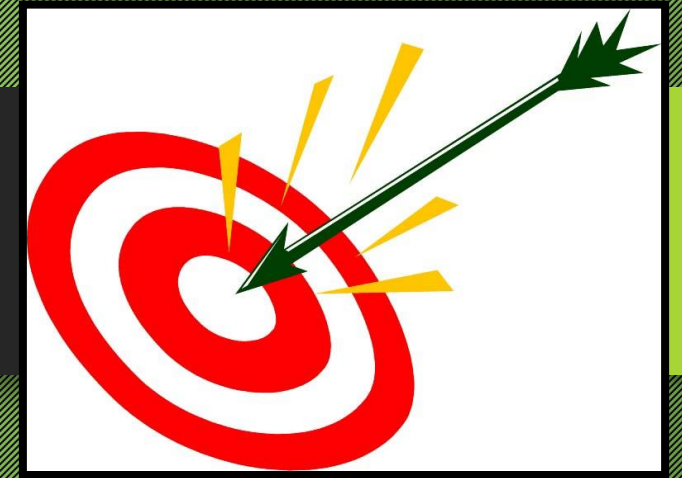
- MAC will recommend a “preferred developer” this evening
- ECD would then negotiate an Exclusive Right to Negotiate (ERNA) with the “preferred developer”
- ERNA will require “preferred developer” to conduct public meetings and proactively engage the community

Next Steps in the RFI Process/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

Conclusion



- ECD was pleased with robust response to RFI
- Consistent with strong interest in Castro Valley with its desirable demographics and strategic location
- Moving forward with preferred developer capitalizes on County's \$4.8 million investment in Shared Parking Lot
- Fulfills community's goal to revitalize this prime site in downtown Castro Valley

Development Team Presentations

1. Alikian/Samson Properties (Ranked #3)
2. Bay Area Urban Development (Ranked #2)
3. Main Street Properties (Ranked #1)