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Vision for Bay Street Becoming Reality

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JACKHAMMERS pound. Heavy trucks rumble. Workers bustle. The finishing touches are being put on the first part of the \$400-million Bay Street complex, a 20-acre urban village under construction next to Interstate 80, north of IKEA in Emeryville.

The first retail phase kicks off Thursday, with the opening of 22 stores, including Ann Taylor Loft, Banana Republic and Pottery Barn. Once complete, Bay Street will include more than 65 shops, nine restaurants, a 16-screen movie theater, 366 apartments and townhouses, and a 230-room hotel -- adding 1,500 to 2,000 jobs.

It's quite a transformation for the former American Indian shellmound that in the 1900s housed a pesticide manufacturing plant and pigment factory. Previously shunned as a contaminated "brownfield," the site has been cleaned up and converted into a regional mall for shoppers from Berkeley to Oakland and beyond.

"Not long ago, the Bay Street site was considered an unusable industrial wasteland," said John Flores, city manager of Emeryville, which invested \$37 million to buy land and clean up the property to ready it for development. "Bay Street is a prime example of smart growth. ... It's a mixed-use area where people are living, working and playing."

Developer Madison Marquette, general contractor DPR Construction, which also built Pixar's campus, and retail architects Jerde Partnership International and Charles Group International designed Bay Street as an urban neighborhood, with three city blocks connected by a main street.

Bay Street is part of a growing trend of open-air urban districts such as Santana Row in San Jose, Paseo Colorado in Pasadena and The Gateway in Salt Lake City, said project designer Charles Pigg of the Charles Group.

"It's a real, urban neighborhood," Pigg said. "The market is there. The land is rare. You have to do it right."

Bay Street will feature plazas, tree-lined sidewalks and terraces. The storefronts vary from individual tenant designs to a brick warehouse style. The south block has retail, restaurants and entertainment, including an AMC theater with 3,300 stadium-style seats set to open Dec. 18. The two north blocks have retail on the ground floor, with housing being built above.

One concern is that Bay Street is built on an Indian burial site. A memorial park will be built by late spring, commemorating the site's Indian heritage and incorporating Temescal Creek.

Another concern is traffic. Bay Street will have five entrances, with most of the 1,900 parking spaces in the back of the project and some parallel parking along Bay Street. Cars can access the complex from already crowded Christie Avenue or Shellmound Street via Powell Street, Ashby Avenue or 40th Street.

"We're hoping people will be patient," Flores said. "We will fine-tune signals and traffic flow."

The 1 million-square-foot Bay Street project includes 400,000 square feet of retail space, which is 88 percent leased.

Stores opening Thursday range from Aerosoles to Asqew Grill, J. Jill to Old Navy, Victoria's Secret to Williams-Sonoma.

Barnes & Noble plans to open Nov. 20. Others opening this holiday season include Abercrombie & Fitch, Apple Computer, California Pizza Kitchen, Harvest Home Stores and Magnolia Hi-Fi.

National retailers committed first, setting a tone for the project, said Eric Hohmann, Madison Marquette vice president of development.

The remaining retailers will have a local and regional focus, he said.

"Those are the guys that are going to give this a unique feel," Hohmann said.

Despite the sluggish economy, only two tenants backed out, he said.

"I think that's a testament to the strength of this location and to how under-served this portion of the East Bay is from a quality retail standpoint," Hohmann said.

That includes movie theaters, he said, noting that United Artists is upgrading its nearby Emery Bay 10-screen complex.

"They knew this was coming," Hohmann said. "They're doing it because they think there's a big enough pie to exist."

Bay Street's housing, which will begin to open in winter 2003, will include 82 townhouses and 284 apartments, including 56 affordable apartments, to be built by Thompson Residential Partners of Sausalito. The yet-to-be-selected hotel will be the last phase.

Madison Marquette oversees more than 24 million square feet of regional malls, urban villages and other retail and mixed-used properties in the U.S.

Bay Street has financial backing from the Emeryville Redevelopment Agency, which expects to recoup its investment, and California Urban Investment Partners, a joint venture between MacFarlane Partners and the California Public Employees' Retirement System.

"The city could've continued the big-box development that was occurring around here, but they had a higher vision," Hohmann said. "There's a great before-and-after story here of how the city, working with the private sector, was able to take ... a brownfield and create something of this significance."