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*City Council*  
PHYLLIS L. PETERSON, *MAYOR*  
JULIE K. PIERCE, *VICE MAYOR*  
PETER A. LAURENCE  
RICHARD A. LITTORNO  
GREGORY J. MANNING

## STAFF REPORT

### Council

**Meeting Date:** December 19, 2000

**To:** City Council

**From:** Richard Hill, City Manager

**Subject:** Grove Property Development Proposal

### REQUEST

Consider the development proposal for the Grove Property submitted by Cortese Investment Company, and provide direction to Staff.

### DISCUSSION

In April 2000, the City solicited a request for proposals (RFP) from developers who might be interested in improving at least 50% of the Grove Property as a park/plaza, and the remainder of the property was to be improved as commercial/retail. A proposal was received from Cortese Investments on May 12, 2000, consistent with the deadline set by the RFP.

The Cortese submittal, a copy of which is attached, proposed the following concept:

“...a beautiful village green and gathering place for the Community featuring: an arbor ringing the perimeter of the Town Square, a bandstand for special events, and a fountain blended together with hard scape and landscaping. The commercial buildings offer retail space in both proposed buildings and office space is proposed for the second floor of the main building. The office component within the project provides a unique opportunity for the Clayton Valley resident to have an office closer to their home.”

The total building square footage proposed by the Cortese firm is 38,563. They proposed a two story structure which would use about 23,000 in land area, and estimates about 24,000 for public use.

The Cortese firm was founded in 1972 by Paul Cortese in 1972. In 1988 Stephen Cortese joined the firm as manager, and is the project leader for this proposal. The experience of the Cortese Investment Company under the management of Stephen Cortese, includes the redevelopment of La Fiesta Square, a 70,000 square foot mixed use project in downtown Lafayette, and the renovation of Main Street Plaza, a 45,000 square retail project in downtown Walnut Creek. Mr.

Cortese received the Action For Beauty Award for the Main Street Plaza project. The Cortese firm has earned the respect of both the Lafayette and City of Walnut Creek City staffs.

After receiving the Cortese proposal, the City Council was approached by a group of people interested in the improvement of the Grove Property entirely as a park. Council, aware of the City's budget limitations, submitted the matter to the voters in two parts. The first part was an advisory measure asking the voters whether the Grove Property should be entirely improved as a park, using any new General Fund revenues. The second part was a revenue measure asking for a utility users tax to create the new revenues needed to construct and maintain the new park. The local election was held Tuesday, November 7, the results of which determined that the advisory measure passed with about 55.2% "yes" votes, and the revenue measure was defeated, receiving about 73.5% "no" votes.

With a clearly expressed "no" from the Clayton voters on new funding for a park covering the entire Grove Property, staff is returning to Council with the Cortese proposal for a determination on its disposition. Council has several options in this regard, some of which are:

- Accept the proposal as submitted and direct staff to negotiate and prepare the final agreements for future execution by Council
- Dismiss the proposal in its entirety, and provide direction to Staff with regard to the development of the Grove Property
- Direct staff or appoint an ad hoc Committee of the Council, including staff, to negotiate with the Cortese team for modifications in their proposal, and to return to Council with a recommendation on the best proposal which can be negotiated

There are other options the Council may wish to consider.

**RECOMMENDATION**

Provide direction to staff.

**ATTACHMENTS**

1. Cortese Investment Company Clayton Town Square Proposal

# Cortese Investment Company

21 Lafayette Circle, Suite 200 • Lafayette, CA 94549  
(925) 283-8777 Fax (925) 283-8275

COPY  
Council  
5-15-2000

May 12, 2000

City of Clayton Redevelopment Agency  
6000 Heritage Trail  
Clayton, CA 94517

RE: Clayton Town Square

Dear Members of the Redevelopment Agency:

On behalf of Cortese Investment Company and our development team, I would like to thank you for the opportunity to submit this development proposal for Clayton Town Square, a downtown mixed use commercial project and public plaza. It is our opinion that Clayton Town Square has the opportunity to be one of the most unique projects in the East Bay given its setting at the foot of Mt. Diablo and prominent downtown location.

Cortese Investment Company, SZFM Design Studio and Main Street Retail Services recently worked together on the redevelopment of La Fiesta Square in Lafayette. The enclosed package was prepared by this same team and we welcome the opportunity to present our vision for this redevelopment project and its underlying financial picture to the Redevelopment Agency. If you have any questions regarding the enclosed package please don't hesitate to call me or any member of our development team directly.

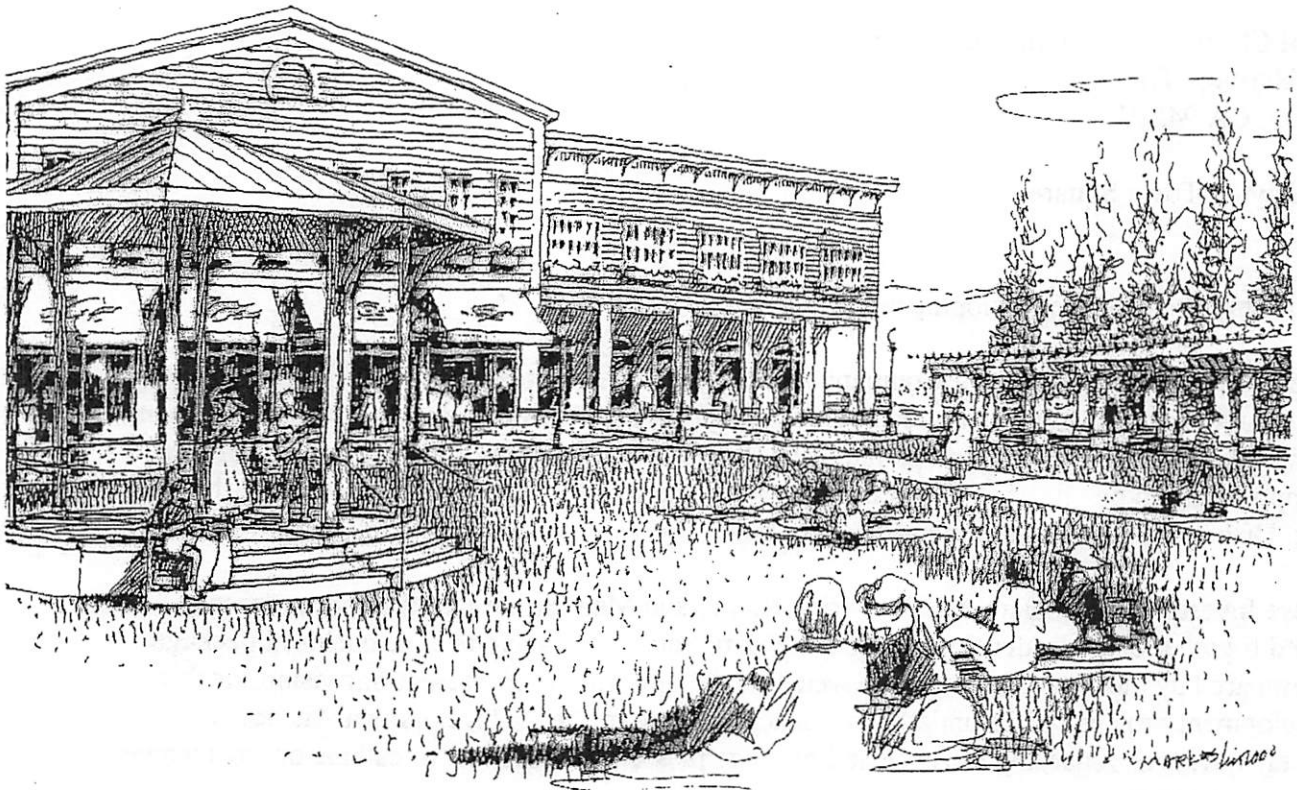
Sincerely,



Stephen A. Cortese

encl.

# Clayton Town Square



Clayton Town Square  
Partners

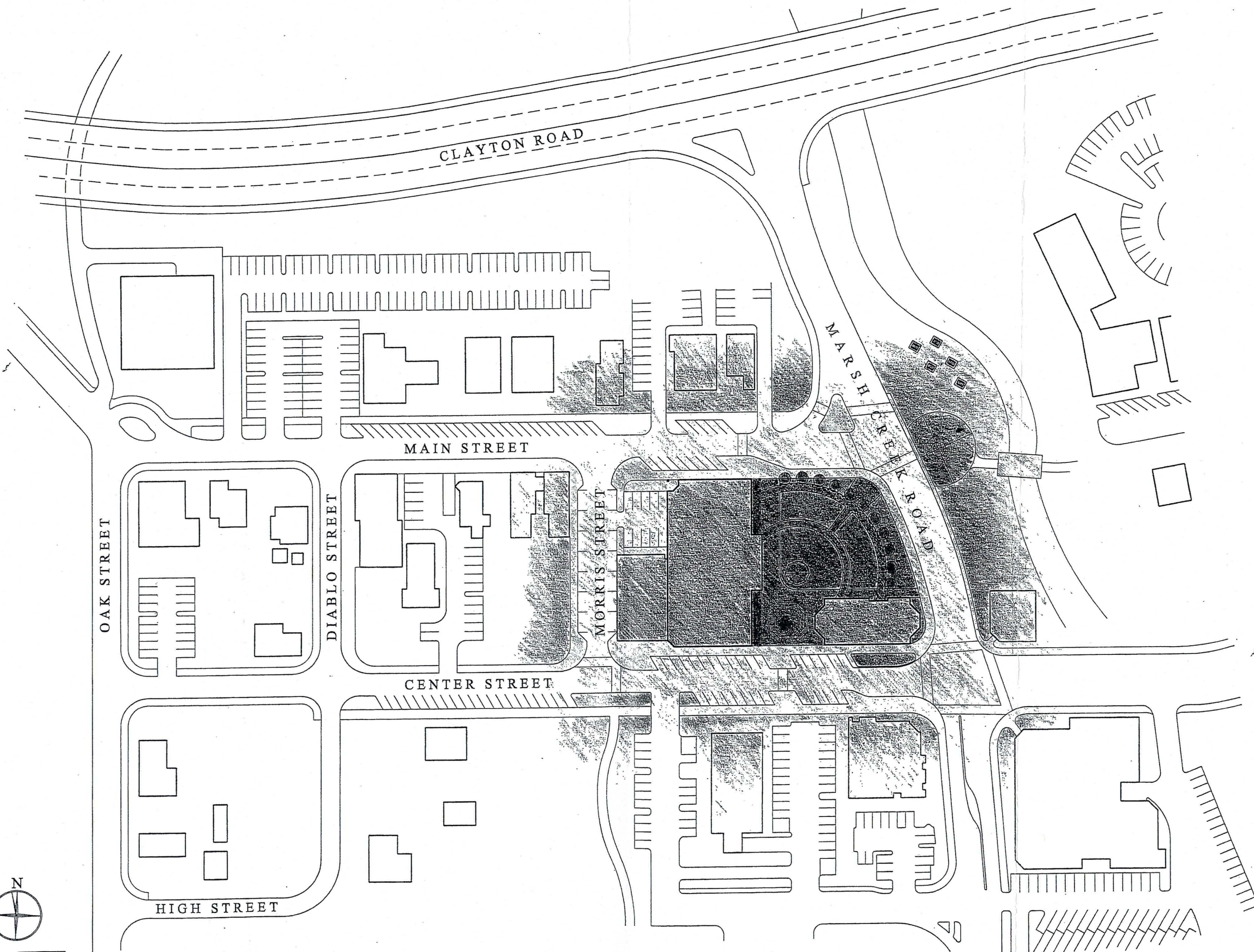
Cortese Investment Company  
General Partner

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  - B** Main Street Retail Services
  - C** SZFM Design Studio

# Clayton Town Square Overview





CLAYTON ROAD

MAIN STREET

OAK STREET

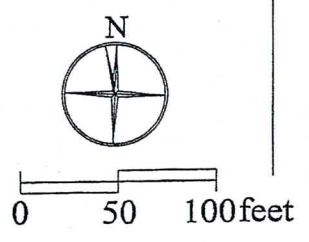
DIABLO STREET

MORRIS STREET

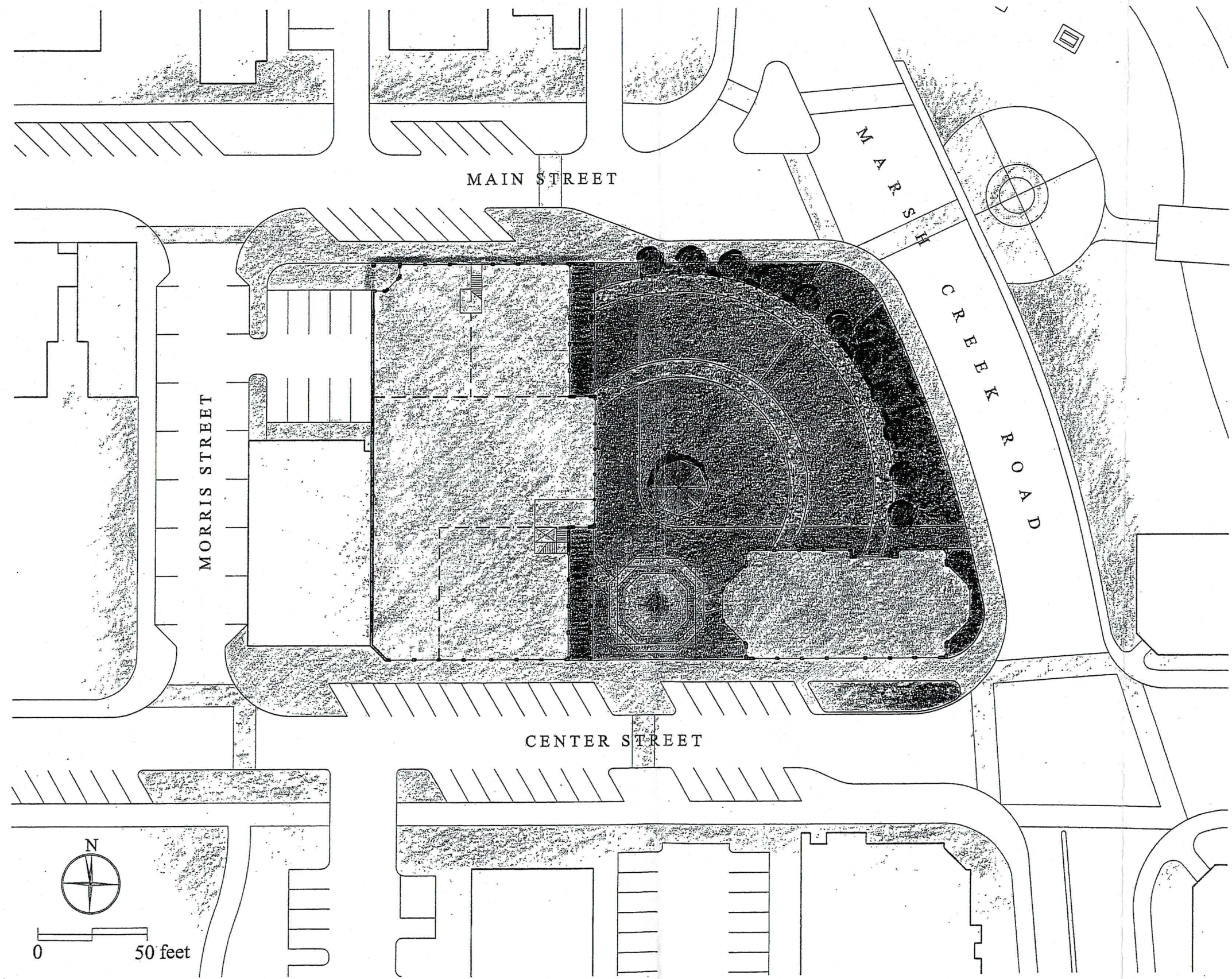
MARSH CREEK ROAD

CENTER STREET

HIGH STREET







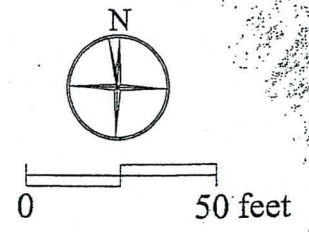
MAIN STREET

MORRIS STREET

CENTER STREET

MARS

CREEK ROAD





## Clayton Town Square Overview

Clayton Town Square is an integral part of the evolution of Clayton Town Center and the development of Main and Center Streets into a vibrant specialty-shopping village that serves the needs of the Clayton Valley Community. Our conceptual design of Clayton Town Square includes a beautiful village green and gathering place for the Community featuring; an arbor ringing the perimeter of the Town Square, a bandstand for special events, and a fountain blended together with hard scape and landscaping. The commercial buildings offer retail space in both proposed buildings and office space is proposed for the second floor of the main building. The office component within the project provides a unique opportunity for the Clayton Valley resident to have an office closer to their home. These additional business owners and their employees will add to the existing daytime population, improving the vitality of the downtown core.

After Careful review and consideration, we feel that the Village Market would benefit from orienting their front door to Center Street and building a new building should be built in the existing parking area that would front on Main Street as shown on the attached plan. The Village market would benefit by orienting their storefront to Center Street and would benefit from the improved parking on Center Street and by the traffic generated by the new post office. A new store in the existing parking lot at the corner of Main Street and Morris would continue the façade from the Town Square down Main Street encouraging pedestrian traffic along Main Street.

The project as designed creates the optimal Town Square and will facilitate the development of downtown Clayton. The team of Cortese Investment Company and Main Street Retail Services and SZFM Design Studio look forward to working with the City of Clayton to complete the details of the Town Square that will make the project the heart of Clayton Town Center.

# Clayton Town Square Concept Plans

# Prospective Tenants and Tenant Categories



# Clayton Town Square Potential Tenants

## Artist Gallery

## Books/Travel

## Community Bank

Mechanic's Bank  
Fremont Bank  
Mt. Diablo National Bank  
U.S. Bank  
East County Bank

## Copy/Mail/Services

Real Estate office  
Title Company  
Medicine Shop/Pharmacy  
Copy Services  
General office  
Executive office  
Architects  
Shoe Repair

## Florist

## Health Foods

## Independent Specialty Hardware Store

## Interior Designers/Home Furnishings

Evolution  
The Gardener  
Lacey Ellen  
Zucchini & Vine  
Domus  
Accents of Napa

## Kitchenware/Cooking School

## Manufacturing Jeweler

## Medical

## Restaurants

Live Fire  
Stacey's Café  
Pasta Cuisine  
Uncle Yu's  
New Mecca  
Bubba's Diner  
Father Nature Shed  
Girapolli  
Hobie's Restaurant  
Italian Colors  
Mama's of San Francisco  
Sunrise Bistro  
Salvatore's  
Pascal's French Oven  
Patrick David's  
Tahoe Joe's Steak house  
El Balazo  
Uncle Wong's  
Spruzzo  
Vic Stewarts  
Strizzi's

## Salon & Spa Services

## Specialty Apparel Tenants

Ideas for Elements  
Sweet Potatoes  
Mishi

## Specialty Foods

Tully's Coffee  
Café 817  
Genova's  
Cardinale Bakery  
Latte Da  
ABC Baking Co.  
Brook's Bread's  
Cakes by Denica  
Montclair Baking  
The Rising Loafer  
Whole Grain Bread Co.  
Bagel Street Café  
Cold Stone Creamery  
Marble Slab Creamery

## Specialty Pet Store

## Stationary

Clayton Town Square  
Pro Forma

**CLAYTON TOWN SQUARE  
COMPENSATION**

Square Footage of area attributable to the business building	38,563 sq. ft.
Leasable square footage	38,563 sq.ft.
Monthly market lease rate to tenants	\$1.50 per sq. ft. ✓
Number of proposed leases	15-25
Estimated Annual Lease Income (5% vacancy)	See attached
Estimated annual O & M cost	See attached
Terms of the lease for business customers	Retail; NNN, Office; full service gross
Identify potential businesses to which you plan to lease	See attached
Proposed monthly per square foot land lease rate back to City	Not applicable
List terms of City lease if any	Not applicable
Proposed purchase price of land occupied by business building	\$115,415.00
Profit sharing proposal:	Not Applicable



## CLAYTON TOWN SQUARE PROJECT COSTS

### Park/Plaza Design and Construction Costs:

Design Costs	See Attached
Development and Entitlement Costs	See Attached
Construction Costs	See Attached
Overhead and Admin. Costs	See Attached
Total Park/Plaza costs	See Attached

### Business Building Design and Construction Costs:

Design Costs	See Attached
Developmental and Entitlement Costs	See Attached
Construction Costs	See Attached
Overhead and Admin. Costs	See Attached
Total Business Building Costs	See Attached

### ANNUAL PARK/PLAZA MAINTENANCE COSTS

Including water, electricity equipment rental, and estimating the cost of City Forces @ \$25/man hour:

Annual Personnel Costs:	\$16,900.00
Services and Supply Costs	\$4,000.00
Total Annual Maintenance Costs	\$20,900.00

CLAYTON TOWN SQUARE  
 COMMERCIAL BUILDING & PLAZA DESIGN & CONSTRUCTION COSTS  
 12-May-00

			PRIVATE	PSF*	PUBLIC	PSF**
Land Acquisition	23,083	5.00 psf	115,415	2.99		
<b>Development &amp; Entitlement Costs</b>						
City Government			5,000	0.13		
County Government			32,000	0.83		
Agency & Utility			23,000	0.60		
Developer Costs			NA	NA		
Project/Construction Management		1.25%	54,720	1.42		
Legal			25,000	0.65		
Insurance			4,000	0.10		
			<u>143,720</u>	<u>3.73</u>		
<b>Design Costs</b>						
Building Architect			210,000	5.45	30,000	1.25
TI Architect			27,000	0.70		
Landscape Architect			2,500	0.06	25,000	1.04
Civil Engineer			21,000	0.54	6,000	0.25
Geo Engineer			5,000	0.13		
Structural Engineer			33,000	0.86	8,000	0.33
Mechanical Engineer			7,000	0.18		
Electrical Engineer			11,000	0.29	4,000	0.17
Graphic Design			5,000	0.13		
			<u>321,500</u>	<u>8.34</u>	<u>73,000</u>	<u>3.04</u>
<b>Leasing &amp; Marketing Costs</b>						
Leasing Commissions			185,000	4.80		
Promotions/Marketing			20,000	0.52		
			<u>205,000</u>	<u>5.32</u>		
<b>Construction Costs</b>						
Site Work			20,000	0.52	300,000	12.48
Shell (Incl Contractor P & O)	80.00		3,085,040	80.00	200,000	8.32
Tenant Improvements	33.00		1,272,579	33.00		
			<u>4,377,619</u>	<u>113.52</u>	<u>500,000</u>	<u>20.81</u>
<b>Other Costs</b>						
Interest Carry for Construction & Lease-up			366,000	9.49		
Contingency on Construction Costs		5.0%	218,881	5.68	25,000	1.04
			<u>584,881</u>	<u>15.17</u>	<u>25,000</u>	<u>1.04</u>
<b>Total Project Costs</b>			<b>5,748,135</b>	<b>149.06</b>	<b>598,000</b>	<b>24.88</b>

\* Per Sq Ft of Building  
 \*\* Per Sq Ft of Land (24,031)

6.0.000

**CLAYTON TOWN SQUARE FINANCIAL INFORMATION**  
5/12/2000

RENT ROLL					
Land Area		47,114			
Public		24,031			
Private		23,083			
		<i>Land</i>			
	FLR	% OF BLDG	RATE/SQFT	SQFT	BASE RENT
Retail Block A (NNN)	1st	43.4%	1.50	16,740	25,110
Retail Block B (NNN)	1st	13.2%	1.50	5,083	7,625
		56.6%		21,823	32,735
Office Block A (GR)	2nd	43.4%	1.50	16,740	25,110
Total		100.0%		38,563	57,845

DEVELOPMENT SCHEDULE	
12-May	Submit proposal for Clayton Town Square
1-Jun-00	City selects Developer
1-Aug-00	Development Agreement Signed Begin Design Development Drawings
1-Dec-00	City Council & Planning Commission Project Approval Begin Construction Drawings
1-Apr-01	Begin Construction
1-Sep-01	Construction Complete

FIVE YEAR PRO-FORMA											
		YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
		AMOUNT	PSF	AMOUNT	PSF	AMOUNT	PSF	AMOUNT	PSF	AMOUNT	PSF
Retail		392,814	18.00	404,598	18.54	416,736	19.10	429,238	19.67	442,116	20.26
Office		301,320	18.00	310,360	18.54	319,670	19.10	329,260	19.67	339,138	20.26
Base Rental Revenue		694,134	18.00	714,958	18.54	736,407	19.10	758,499	19.67	781,254	20.26
Tenant Expense Reimbursement	44.6%	95,959	2.49	98,537	2.56	101,186	2.62	103,908	2.69	106,708	2.77
Total Gross Revenue		790,093	20.49	813,495	21.10	837,593	21.72	862,407	22.36	887,960	23.03
Project Vacancy Rate		40.0%		10.0%		7.5%		5.0%		5.0%	
Project Vacancy		318,037	8.20	81,349	2.11	62,819	1.63	43,120	1.12	44,398	1.15
Effective Gross Revenue		474,056	12.29	732,145	18.99	774,773	20.09	819,287	21.25	843,562	21.87
Operating Expenses											
Real Estate Taxes		57,481	1.49	58,631	1.52	59,804	1.55	61,000	1.58	62,220	1.61
Direct Levies/Assessments		10,000	0.26	10,200	0.26	10,404	0.27	10,612	0.28	10,824	0.28
Property Insurance		3,500	0.09	3,605	0.09	3,713	0.10	3,825	0.10	3,939	0.10
Liability Insurance		3,500	0.09	3,605	0.09	3,713	0.10	3,825	0.10	3,939	0.10
Gas & Electric		45,185	1.17	46,540	1.21	47,937	1.24	49,375	1.28	50,856	1.32
Water & Sewer		3,318	0.09	3,418	0.09	3,520	0.09	3,626	0.09	3,735	0.10
HVAC		5,000	0.13	5,150	0.13	5,305	0.14	5,464	0.14	5,628	0.15
Elevator		2,000	0.05	2,060	0.05	2,122	0.06	2,185	0.06	2,251	0.06
Janitorial		16,680	0.43	17,181	0.45	17,696	0.46	18,227	0.47	18,774	0.49
Trash Removal		17,000	0.44	17,510	0.45	18,035	0.47	18,576	0.48	19,134	0.50
Landscaping		2,500	0.06	2,575	0.07	2,652	0.07	2,732	0.07	2,814	0.07
Promotional & Advertising		13,094	0.34	13,487	0.35	13,891	0.36	14,308	0.37	14,737	0.38
General Repair & Maintenance		3,000	0.08	3,090	0.08	3,183	0.08	3,278	0.09	3,377	0.09
Legal & Accounting		4,000	0.10	4,120	0.11	4,244	0.11	4,371	0.11	4,502	0.12
Management Fees		25,000	0.65	25,750	0.67	26,523	0.69	27,318	0.71	28,138	0.73
Miscellaneous		4,000	0.10	4,120	0.11	4,244	0.11	4,371	0.11	4,502	0.12
Total Operating Expenses		215,258	5.58	221,041	5.73	226,984	5.89	233,092	6.04	239,368	6.21
Leasing & Capital Costs											
Tenant Improvements	0.5%	0	0.00	0	0.00	3,682	0.10	3,792	0.10	3,908	0.10
Leasing Commissions	0.5%	0	0.00	0	0.00	3,682	0.10	3,792	0.10	3,908	0.10
Capital Reserve	0.5%	3,471	0.09	3,575	0.09	3,682	0.10	3,792	0.10	3,908	0.10
		3,471	0.09	3,575	0.09	11,048	0.29	11,377	0.30	11,719	0.30
Net Operating Income		255,328	6.62	507,529	13.16	536,743	13.92	574,818	14.91	592,475	15.39



Clayton Town Square  
Partners  
Resume & References

Cortese Investment  
Company

# Cortese Investment Company

21 Lafayette Circle, Suite 200 • Lafayette, CA 94549

(925) 283-8777 Fax (925) 283-8275

## **RESUME OF PRINCIPALS - CORTESE INVESTMENT COMPANY**

Cortese Investment Company is a real estate investment and development company with holdings through out the Bay Area. Below are resumes for Paul J. Cortese and Stephen A. Cortese, the two principals of Cortese Investment Co.

**Paul J. Cortese** founded Cortese Investment Company in 1972. Between 1950 and 1963, Mr. Cortese was employed by Wilson & George Meyer Co. in San Francisco and when he left to form his own company was V.P. in charge of Agricultural Products. Between 1963 and 1972, Mr. Cortese owned and managed California Turf and Equipment Co., Western Toro, and Western Peat Moss Co. covering the western states and Hawaii. These companies were sold in 1972 when real estate became his main occupation.

Mr. Cortese was a founding board member and major stockholder of Diablo Bank in Danville and served as Vice Chairman of the Executive Committee. The Bank was sold to Security Pacific Bank in 1986.

Mr. Cortese is deeply involved in community affairs including serving as past Chairman of the Board of Trustees of John Muir Hospital and was the lead fund raiser for the Regional Center of the Arts in Walnut Creek.

Mr. Cortese received his Bachelor of Science in Business Administration from U.C. Berkeley in 1948.

**Stephen A. Cortese** joined the Cortese Investment Company as manager in 1988. His responsibilities include real estate acquisitions, development and management. Prior to this, Mr. Cortese was the Project Manager for the Walter Kieckhefer Company, a real estate development and management company in Novato, CA.

Mr. Cortese recently completed the redevelopment of La Fiesta Square, a 70,000 square foot mixed use project in downtown Lafayette. La Fiesta Square is fully leased with an assortment of local and regional specialty tenants. Prior to this, Mr. Cortese completed the renovation of Main St. Plaza, a 45,000 square foot retail project in downtown Walnut Creek, for which Mr. Cortese received the Action For Beauty Award for best Commercial Renovation.

Mr. Cortese served five years on the Walnut Creek Design Review Commission. He also served six years on the Board of Directors for the Walnut Creek Chamber of Commerce and seven years on the Board of Directors for the Lindsay Wildlife Museum in Walnut Creek.

Mr. Cortese received his Bachelor of Business Administration from U. C. Berkeley in 1983 and his Master of Science in Real Estate Appraisal and Investment Analysis from U. W. Madison in 1986.

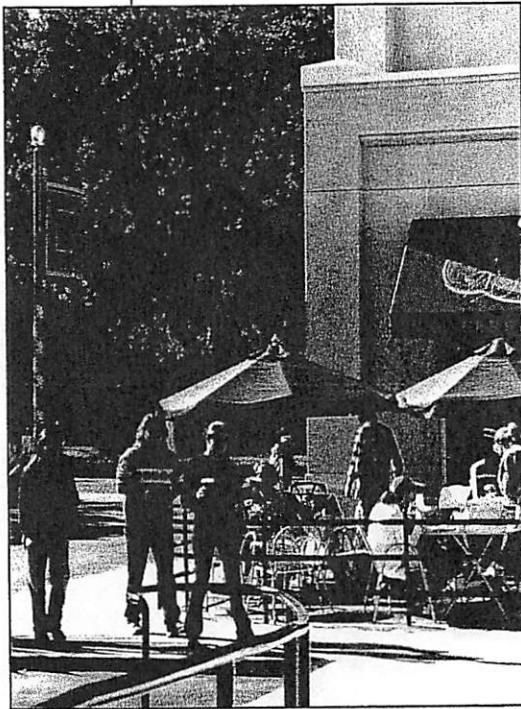
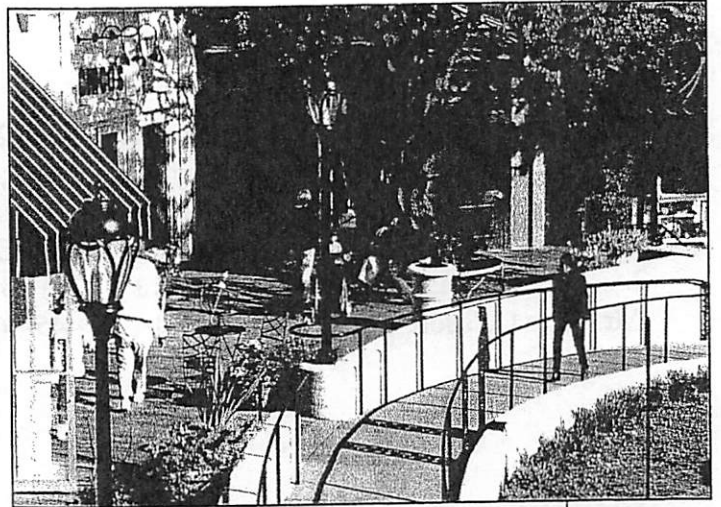
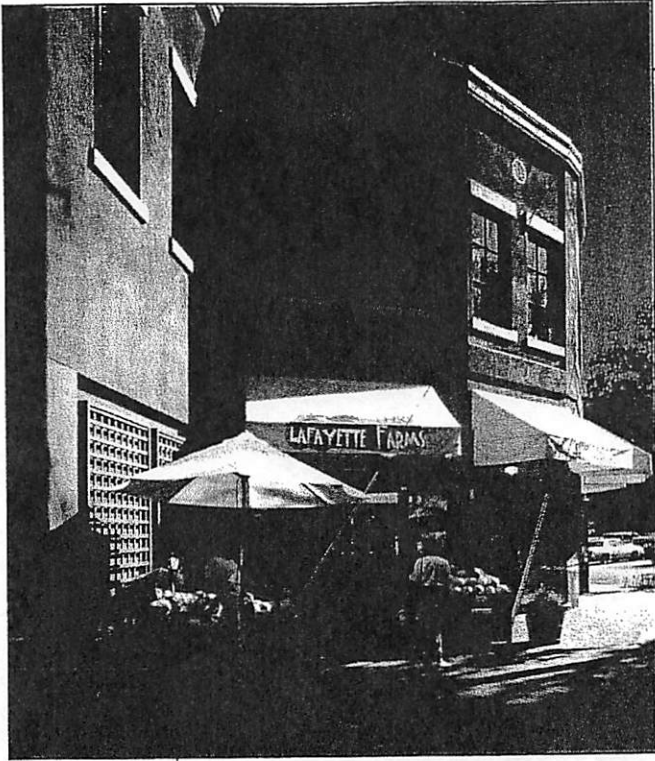


## **CORTESE INVESTMENT COMPANY - BUSINESS REFERENCES**

Mr. Jay Strauss, Mayor, City of Lafayette; (925) 284-1976  
Mr. Steven Falk, City Manager, City of Lafayette; (925) 284-1976  
Mr. Charlie Abrams, Mayor, City of Walnut Creek; (925) 943-5818  
Mr. David Wallace, Senior Planner, Secretary to DRC, City of Walnut Creek; (925) 943-5834  
Ms. Barbara Vaughn, Wells Fargo Bank; (925) 687-7399  
Mr. John Cullison, Bank of America; (415) 445-4645

### **Local Holdings of Cortese Investment Company:**

La Fiesta Square, Lafayette; 70,000 sq ft  
Mair Street Plaza, Walnut Creek; 45,000 sq ft  
Crow Canyon Commerce Center, San Ramon; 86,000 sq ft  
Caven Way, Concord; 35,000 sq ft

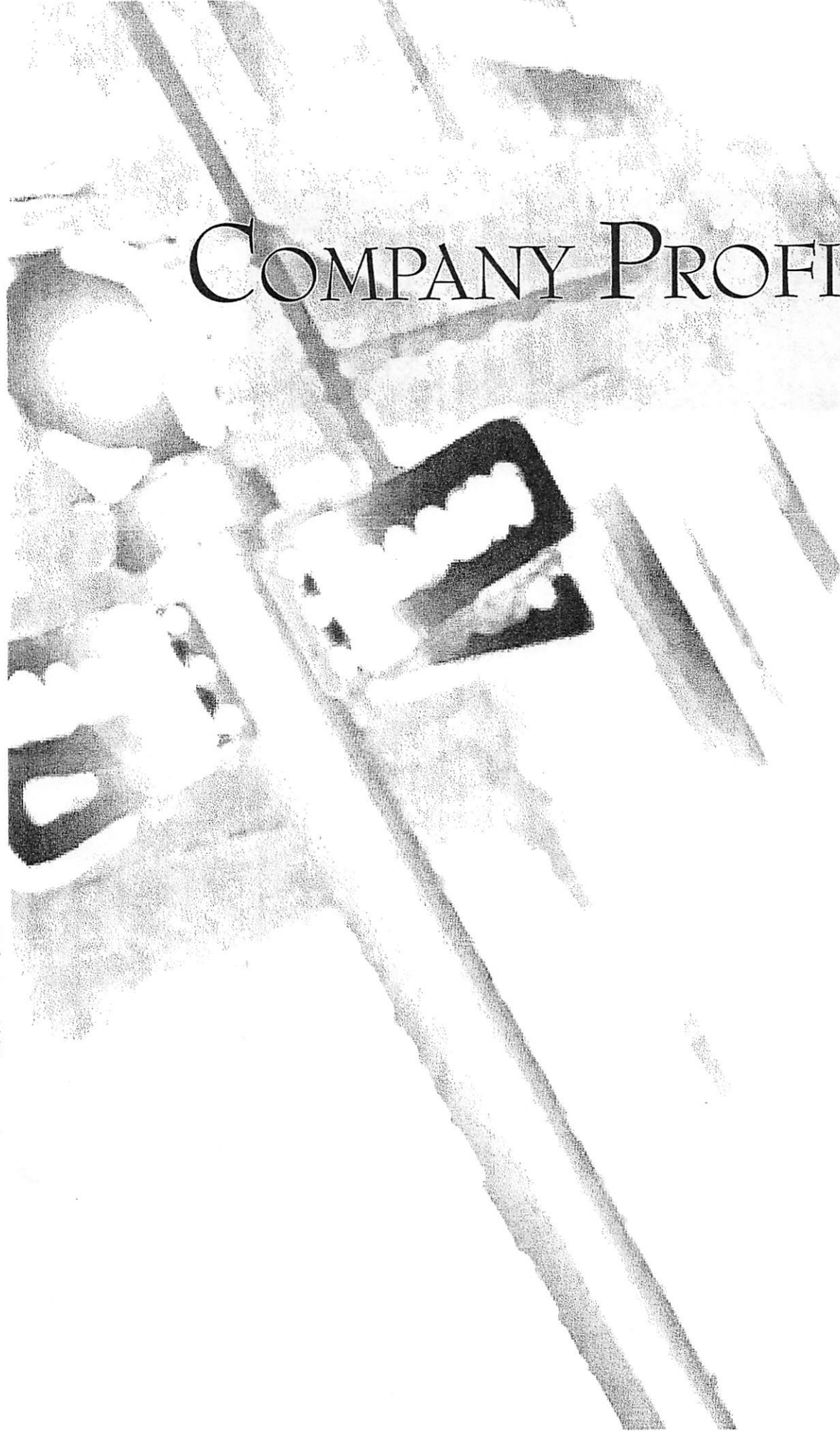


La Fiesta Square Photos  
Project Developed by  
Cortese Investment Company



# Main Street Retail Services

# COMPANY PROFILE



## Company Background

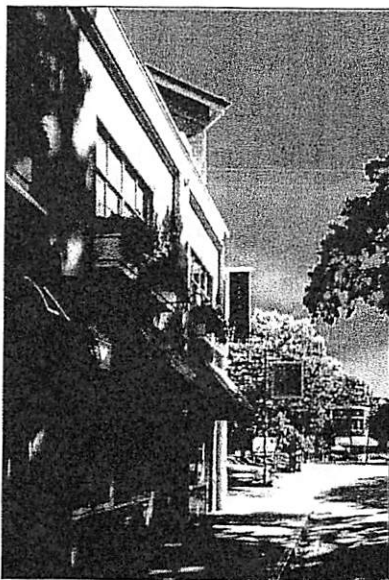


310 Main Street - Pleasanton, California

Founded in 1997, Main Street Retail Services of Lafayette, California is a premier retail real estate services company providing the highest level of specialized leasing, project positioning, remerchandising, development, and tenant representation services for retail property owners, investors, tenants and municipalities throughout Northern California.

By focusing exclusively on retail, Main Street Retail Services provides clients with a competitive edge by supplying first-hand knowledge of activities and transactions throughout the retail real estate industry.

Main Street Retail Services is a hands-on company that involves itself in a project from entitlement to completion of leasing. By responding to the needs of developers, owners, investors and retailers, Main Street Retail Services provides a full-range of services and has established itself as a leader in leasing downtown shopping districts and retail projects throughout Northern California.



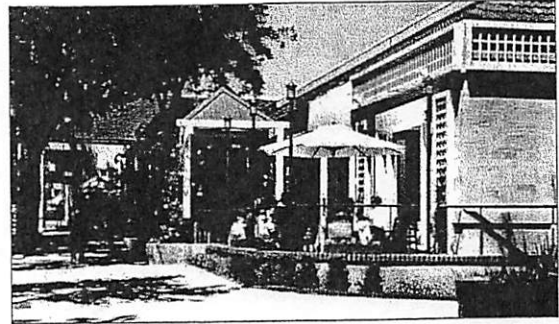
La Fiesta Square - Lafayette, California

Our primary focus at Main Street Retail Services is on the remerchandising and leasing of downtown retail shopping districts as well as community, neighborhood, and lifestyle centers. We pay special attention to every detail of the projects we represent. Main Street Retail Services works to establish the best possible merchandise mix for each project creating a selection of retailers that will result in maximum sales volumes project-wide.

Main Street Retail Services' objective is to achieve maximum value for our clients by providing superior long-term solutions to retail projects through creative leasing strategies.



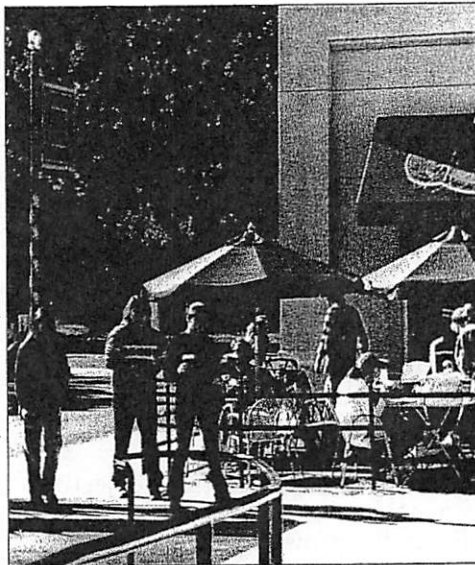
# Project Positioning



310 Main Street - Downtown Pleasanton

The merchandising of any successful center drives the marketing efforts. This is why Main Street Retail Services provides in-depth analysis of a trade areas retail activity, competition, demographics and psychographics to determine leasing strategies prior to developing a merchandise plan. These steps are crucial to expanding the customer base and potential consumer drawing power of retail districts and shopping centers. With over 10 years of industry experience and successful long-term retailer relationships we are able to develop merchandising plans and facilitate their implementation beyond the initial leasing process including an appropriate ongoing action plan.

The discipline to implement the merchandise plan past the stage of conception and create the ultimate merchandise mix often requires manufacturing a deal. Our retail experience and landlord roles on properties provides us with the an exceptional position to visualize a store and its use even prior to speaking with an interested retailer. We will often develop relationships with business owners and help them in their expansion to make sure a space is leased to the right operator. This commitment to the strategic plan shows through our long term relationships with both property owners and retailers.

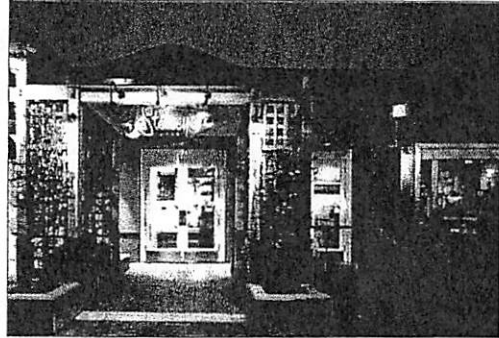


La Fiesta Square - Lafayette, California

Main Street Retail Services can capitalize on the potential of a retail property through an understanding of its merchandising potential, which reflects current trends and market conditions including the impact of a leasing strategy on the future value of the property.

Our understanding and interpretation of the current retail market and real estate knowledge provide a competitive advantage to the projects we represent.

## Development Services



310 Main Street - Pleasanton, California

Main Street Retail Services provides a full range of consultant development services for shopping environments. Our specialty lies in identifying under utilized properties with greater retail merchandising opportunity and developing redevelopment strategies which maximize the potential of the site. At Main Street Retail Services we focus our attention on specific physical changes which can promote the best re-tenanting efforts. Our developments and redevelopment services take existing liabilities and turn them into assets by achieving the optimum sales performance from the new development.

Main Street Retail Services is a partner in several downtown retail projects. As a development partner in Main Street Pleasanton, LLC, Main Street Retail Services successfully rebuilt and remerchandised two city blocks in downtown Pleasanton. As a direct result of Main Streets' involvement and careful supervision of architectural design, construction and pro forma development the Main Street Pleasanton project has exceeded the goals and expectations of the partnership.



349 Main Street - Pleasanton, California

With special attention given to the end use of a project at the time of development, Main Street Retail Services can make an economic impact on a property even before it is developed. Main Street Retail Services' development responsibilities include acquisition entitlement of new and redeveloped properties, coordination with architectural and construction contractors, pro forma development, construction management, tenant improvement management, merchandising, leasing and property management.

# Retailer Relationships



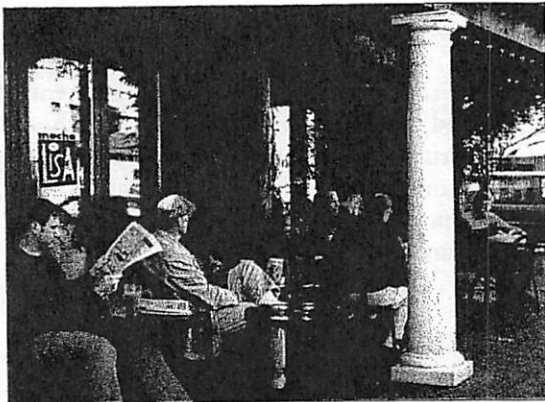
Gazoontite - San Francisco, California

Main Street Retail Services identifies market trends and uses them to create and implement strategies for retail properties by blending experience and ongoing retailer relationships.

Main Street Retail Services has been helping dynamic retailers expand since its inception. Principal involvement, individual attention and an in-depth understanding of the retail industry give Main Street Retail Services an advantage over other leasing companies. We provide more than an evaluation of current market conditions to expanding retailers; we identify retail trends which may help out position our clients' competitors. Working to clearly understand the client and their competition, we can creatively and effectively market their concept and provide the best options in site selection available in the market. In addition to working with site selection, we help position the retailer to perspective landlords. We educate landlords about the potential of expanding retailers and about emerging trends which may favorably reinforce the position of the retailer. We consult with retailers on business plans and help with strategic planning. In the past we have even been known to act as a retail partner, assist in logo development, store design and merchandise mix if necessary. All of these efforts are made to ultimately help a retailer develop the appropriate presentation to perspective landlords.

Main Street Retail Services prides itself on the ability to have the existing mix of retailers at a project act as spokespersons at the centers we lease -- after all, we are only as successful as our most recent deal. Prosperous retailers beget successful retail projects and Main Street Retail Services' success lies in the creation of both.

Mocha Lisa - Berkeley, California



Some of the retailers Main Street Retail Services has helped in their Northern California expansion efforts include: Gazoontite, High Tech Burrito, and Koo Koo Roo California Kitchen.

# Marketing and Design



La Fiesta Square - Logo on canvas bags

Main Street Retail Services works to position the projects we represent ahead of the competition. We accomplish this through ongoing and constant dissemination of information about the property. A very important element in the leasing and development of any project successfully lies in creating the optimum position. At Main Street Retail Services one way we accomplish this is through marketing. We work to create custom promotional vehicles to properly convey the center and its merchandising to the public we target. We established a marketing and design department for exactly this reason.

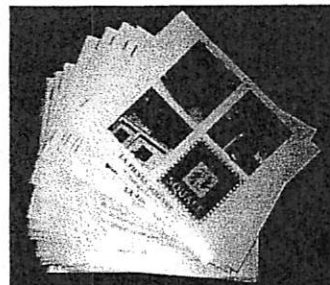


Downtown Pleasant Hill - Postcard Series



Main Street Retail Services' marketing and design department is responsible for generating all positioning strategies and marketing vehicles for the company and the projects it represents. With an in-house designer on staff, we are able to produce all project leasing packages, project leasing signage, and, when necessary, retailer leasing campaigns, and property leasing, advertising and direct mail campaigns.

The Marketing and Design department provides additional comprehensive creative services to developers, property owners and retailers on a time and materials basis.



La Fiesta Square - Direct Mail Catalog

# Biographical Information

**Craig Semmelmeier is principal and founder** of Main Street Retail Services of Lafayette, California. Main Street Retail Services is a premier retail real estate services company providing retail leasing, project positioning and remerchandising, development, and tenant representation services throughout Northern California since 1997. As principal of Main Street Retail, Mr. Semmelmeier acts as development partner and leasing agent on several downtown properties including, Main Street in Pleasanton, La Fiesta Square in downtown Lafayette, and Downtown Pleasant Hill in Pleasant Hill. Property owners, developers, municipalities and retailers alike seek his ability to provide retail solutions which respond to the marketplace and the needs of the communities which they serve.

In addition to providing leasing strategies to property owners and developers, Mr. Semmelmeier consults on the development and remerchandising of retail projects for institutional clients such as AMB Property Company, GMS Realty, Branagh Development, Burnham Pacific, Bay 511 Corporation, Prudential, The Yarmouth Group, Bramalea U.S. Properties, The Clorox Company, Kemper Real Estate Management, United Bank of Switzerland, The Cortese Investment Company, and the RREEF Funds. In addition to his work with property owners, he has also worked representing retail properties, some of which include Oakland City Center, Oakland; The Marketplace at San Ramon, San Ramon; Orinda Theatre Square, Orinda; Ygnacio Plaza, Walnut Creek; Tassajara Crossing, Danville; Crocker Galleria, San Francisco; Riverpark Square, Spokane, Washington; and Napa Town Center, downtown Napa.

Mr. Semmelmeier's contributions extend beyond the leasing of new and redeveloped projects and include the overall remerchandising and repositioning of projects throughout Northern California. Some of the projects he is currently exclusively leasing include Downtown Pleasant Hill developed and owned by Burnham Pacific, Jack London Square owned by Oakland Portside Associates, La Fiesta Plaza redeveloped and owned by the Cortese Investment Company, and Lakeshore Plaza, San Francisco, owned by AMB Property Company.

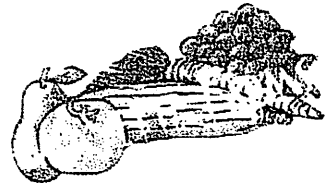
In his capacity as principal of Main Street Retail Services, Mr. Semmelmeier directs all company development efforts and is a partner in Main Street Pleasanton, LLC. This company successfully rebuilt and remerchandised two city blocks in downtown Pleasanton. As a partner in the company Mr. Semmelmeier's responsibilities included acquisition entitlement of new and redeveloped properties, coordination with architectural and construction contractors, merchandising, leasing and property management.

Along with directing the company's development efforts, providing site selection and lease negotiation services, Mr. Semmelmeier evaluates market conditions, trends and competition to help growing retailers. Some of the retailers he has helped in their Northern California expansion include Gazootite, Whole Grain Natural Bakery Company, High Tech Burrito, Mocha Lisa Coffee Store and Cafe, and Koo Koo Roo California Kitchen.

Prior to founding Main Street Retail Services, Mr. Semmelmeier was a retail leasing specialist in the San Francisco headquarters of Terranomics Retail Services for five years. His ongoing commitment to the retail real estate industry is reflected in his role as speaker for various audiences. Mr. Semmelmeier recently addressed attendees at a conference focused on shopping center leasing and remerchandising strategies at the International Council of Shopping Centers (ICSC) National Convention in Las Vegas. In addition, he has instructed a course on restaurant site selection at Diablo Valley College for the past four years. Mr. Semmelmeier is an active member of the Northern California Program Committee for ICSC which directs all programming efforts at the state level for the 40,000 member trade association.



BICYCLE



The following is a partial list of tenants with which Main Street Retail Services has executed successful lease transactions



Your Wellness Store  
 Hollywood Video  
 Sharp Bicycle  
 El Balazo  
 Jamba Juice  
 Peet's Coffee and Tea  
 Mt. Diablo National Bank  
 Hallmark  
 Roundtable Pizza  
 United States Post Office  
 Mocha Lisa  
 Noah's Bagels  
 Score @ Kaplan  
 Radio Shack  
 Baskin and Robbins  
 Starbucks Coffee and Tea  
 Great Clips  
 High Tech Burrito  
 Sonoma Valley Bagel Co.  
 Funcoland  
 Postal Annex  
 McDonalds  
 Juice Time  
 Strings Restaurant  
 Cocolat  
 World Savings  
 Food Co.  
 International Interiors  
 Sweet Tooth Candies

Pasta Cuisine  
 GTE Wireless  
 Bank of America  
 Juice Appeal  
 La Salsa  
 President Tuxedo  
 Cattails Gallery  
 Togos  
 Rocky Mountain Chocolate Factory  
 Ritz Camera  
 General Nutrition Centers  
 Wholegrain Bread Company  
 Crescent Jewelers  
 Mail Boxes, Etc.  
 Chili Up!  
 Kinko's - The Copy Center  
 Take 5 Newstand  
 Wolf Camera  
 Egghead Software  
 Kindercare  
 Federal Express  
 Healthrider  
 Tamales  
 Chico's  
 Chateau Collection  
 Walgreens  
 Sweet Tomatoes  
 Start to Finish Bicycle

RE/Maxx  
 Ruma  
 Chinese New Age Express  
 Allegro Copy and Printing  
 The Flower Garden  
 Koo Koo Roo California Kitchen  
 Stacey's Cafe  
 A.G. Ferrari Fine Foods  
 Fleet Feet  
 A' Cuppa Tea  
 Men's Wearhouse  
 Fountain Cafe  
 Clocks, Etc.  
 Patisserie of Lafayette  
 Papyrus  
 Melo's Pizza and Pasta  
 Diablo Books  
 Clock's, Etc.  
 Beyond Flowers  
 Cotton and Company  
 Manrico Cashmere  
 Left Bank  
 Pasta Pomodoro  
 Zao Noodle Bar  
 The Garden House  
 Sunrise Mountain Sports  
 Tully's Coffee  
 Nitro Dog  
 Chipotle



Cotton & Company



PATISSERIE



Sweet Tooth Candies



TAMALES

# Projects

The following is a partial list of projects leased by  
Craig Semmelmeier of Main Street Retail Services.

## **3200 College Avenue**

Berkeley, California

GLA: 18,000 square feet

## **Crocker Galleria**

San Francisco, California

GLA: 85,000 square feet

## **Downtown Pleasant Hill**

Pleasant Hill, California

GLA: 340,000 square feet

## **Jack London Square**

Oakland, California

GLA: 210,000 square feet

## **La Fiesta Square**

Lafayette, California

GLA: 70,000 square feet

## **Lakeshore Plaza**

San Francisco, California

GLA: 172,000 square feet

## **Meadows Plaza**

Vallejo, California

GLA: 170,000 square feet

## **300/310**

## **Main Street Pleasanton**

Pleasanton, California

GLA: 13,000 square feet

## **349**

## **Main Street Pleasanton**

Pleasanton, California

GLA: 12,000 square feet

## **The Marketplace at San Ramon**

San Ramon, California

GLA: 166,585 square feet

## **Napa Town Center**

Napa, California

GLA: 110,000 square feet

## **Oakland City Center**

Oakland, California

GLA: 3,000,000

## **Pleasant Hill Center**

Pleasant Hill, California

GLA: 234,000 square feet

## **Silverado Plaza**

Napa, California

GLA: 84,000 square feet

## **Tassajara Crossing**

Danville, California

GLA: 144,000 square feet

## **Ygnacio Plaza**

Walnut Creek, California

GLA: 110,000 square feet

## Main Street Retail Services References

### **Peter Branagh**

Principal  
Branagh Development  
3201 Danville Blvd., Suite 170  
Alamo, CA 94507  
(925) 743-9500

### **Kevin P. Cavanaugh**

Regional Director of Leasing  
Burnham Pacific Properties Inc.  
100 Bush Street, 24th Floor  
San Francisco, CA 94104  
(415) 352-1700

### **Jerry Iserson**

Principal Planner  
City of Pleasanton  
200 Old Bernal Ave.  
Pleasanton, CA 94566  
(925) 931-5605

### **Steve Cortese**

General Partner  
Cortese Investment Company  
21 Lafayette Circle  
Lafayette, CA 94549-4312  
(925) 243-8777

### **Dean Isaacs**

Property Manager  
Burnham Pacific  
100 Bush Street, 24th Floor  
San Francisco, CA 94104  
(415) 352-1700

### **Kim Fraser**

President  
Kim Fraser Associates, Inc.  
3110 Buchanan Street  
San Francisco, CA 94123  
(925) 931-1110

### **Brian Malone**

High Tech Burrito Corporation  
3020 Kerner Boulevard  
San Rafael, CA 94901  
(415) 456-0606

### **Lynn Gallagher**

Principal  
Gallagher Associates  
340 Smith Drive  
Petaluma, CA 94952  
(707) 762-2374

### **Joseph Dobronyi**

UBS Asset Management Inc.  
1345 Avenue of the Americas  
New York, NY 10125  
(212) 649-7382

### **John Dolby**

Shorenstien  
500 12th Street, Suite 110  
Oakland, CA 94607  
(510) 628-9170

SZFM  
Design Studio

# SZFM Design Studio

## RETAIL AND MIXED-USE DESIGN

With broad experience in both retail strategy and architecture, SZFM Design Studio brings a distinctly original perspective to retail and mixed-use developments. Whether designing new projects or revisioning existing ones, the firm combines innovative ideas with rigorous analytical and design skills to create places that succeed not just aesthetically but financially and socially as well.

The firm grounds all its work in the real world, consulting extensively with clients on tenant requirements and expectations, and other non-architectural factors that ultimately determine a project's success or failure. To further assure that the project is successful, the firm has developed in-house skills in related design fields such as urban design, landscaping and environmental graphics. One of the principals is a former clothing designer, and staff members examine everything from consumer habits and fashion trends to merchandising and display in order to produce a design that reflects the realities of the contemporary marketplace.

Recognizing the critical importance of producing designs based on the situation at hand rather than attempting to impose a signature style, SZFM Design Studio looks at each commission in light of the cultural, economic and physical parameters governing the specific development and site. With a respect for the unique characteristics of every project, the firm strives to translate the overall contextual framework into a design that makes a positive and lasting impression on everyone who comes in contact with it -- shoppers, retailers and the general public alike.

SZFM Design Studio's comprehensive approach has earned it a reputation as the firm to turn to for imaginative yet workable solutions to complex development challenges. It is also known for its ability to bring the views of the client and community into alignment and build trust with regulatory agencies. Due to the amount of work involved with its approach, the office accepts only a limited number of projects at any one time, ensuring that each commission receives the time and attention it requires.

## **SZFM Design Studio**

**A FULL-SERVICE FIRM.** SZFM Design Studio is a versatile and innovative firm that provides full-service, in-house urban design, architecture, environmental graphics and interior design services.

**RETAIL SPECIALISTS.** The firm has broad and deep experience in multiple aspects of the retail industry. It has designed both retail-only and mixed-use projects in both urban and suburban settings. Commissions have included projects as diverse as La Fiesta Square, a 75,000 sq. ft. complex in the Bay Area historical town of Lafayette, and Paseo Nuevo, a 400,000 sq. ft. pedestrian-oriented retail revitalization project in downtown Santa Barbara, California. Clients have ranged from private developers to local governments to individual retailers, giving SZFM Design Studio the ability to look at projects from varying -- and sometimes conflicting -- viewpoints. The capacity to successfully incorporate potentially opposing views into a single design makes the firm uniquely qualified to tackle projects from the most straightforward to the most complex.

**EXPERTISE IN OTHER RETAIL-RELATED AREAS.** Unlike most design offices, the firm's principals and associates also offer solid experience in retail-related fields in addition to design. SZFM Design Studio can provide such valuable ancillary services as: Economic Feasibility Analyses, Development Strategies, Environmental Impact Reports, Leasing Consultation, Tenant Reviews, and Storefront and Signage Design.

**SWIFT APPROVAL FOR CONTROVERSIAL PROJECTS.** The firm is particularly adept at guiding difficult projects through the complicated, often contentious approval process. The firm's political savvy has enabled clients to obtain swift approval for many highly controversial developments. For example, SZFM Design Studio deftly steered the developer of a mixed-use retail project in Huntington Beach to an approval from the notoriously strict California Coastal Commission, and helped developers of two small infill projects get uncommonly quick approvals from local governments in San Francisco and Lafayette, California.

**INVENTIVE DESIGN SOLUTIONS.** Avoiding preconceived notions, SZFM Design Studio approaches each project from a fully grounded and open-minded perspective that takes financial and political as well as planning and architectural concerns into account. The end result is a design that ensures a project's successful operation while creating a project whose attractive, inventive and shopper-friendly design itself becomes a major customer draw.



# SZFM Design Studio

## SELECTED RETAIL / MIXED USE PROJECTS

### COMPLETED PROJECTS

101 CYRIL MAGNIN  
San Francisco, California

PRINCETON GATEWAY PLAZA  
Fremont, California

CORTE MADERA TOWN CENTER  
Corte Madera, California

WINROCK MALL  
Albuquerque, New Mexico

PASEO NUEVO\*  
Santa Barbara, California

BROADWAY PLAZA SHOPPING CENTER\*  
Walnut Creek, California

STONESTOWN SHOPPING CENTER\*  
San Francisco, California

CENTURY CITY SHOPPING CENTER\*  
Los Angeles, California

310 MAIN STREET  
Pleasanton, California

OAKLAND CITY CENTER  
Oakland, California

BAYHILL SHOPPING CENTER  
San Bruno, California

INNER CIRCLE\*  
Palo Alto, California

GREENSPOINT MALL  
Houston, Texas

LA FIESTA SQUARE  
Lafayette, California

UCSF MILBERRY UNION  
San Francisco, California

YGNACIO PLAZA  
Walnut Creek, California

JANTZEN BEACH  
Portland, Oregon

5th & MISSION RETAIL CONVERSION  
San Francisco, California

### CURRENT PROJECTS

FREMONT HUB  
Fremont, California

WILLOWS  
Concord, California

EVERGREEN VILLAGE CENTER  
San Jose, California

SAN FRANCISCO INTERNATIONAL  
AIRPORT - RESTAURANTS OF  
SAN FRANCISCO  
San Francisco, California

STRAWBERRY VILLAGE  
Mill Valley, California

# SZFM Design Studio

## *SELECTED RETAIL STORES & RESTAURANTS*

DAVID'S PRODUCE  
Corte Madera, California

STACY'S RESTAURANT  
Pleasanton, California

TORTOLA - UCSF  
San Francisco, California

BEYOND FLOWERS  
Lafayette, California

PALIO d'ASTI - UCSF  
San Francisco, California

MANGIA  
Lafayette, California

MONTGOMERY WARD  
Albuquerque, New Mexico

RILEY'S CHILDREN'S STORE  
Mill Valley, California

FLEET FEET  
Pleasanton, California

LAFAYETTE FARMS  
Lafayette, California

UCSF BOOKSTORE  
San Francisco, California

BED, BATH & BEYOND  
Fremont, CA and Albuquerque, NM

CLOCKS, etc.  
Lafayette, California

A.G. FERRARI  
Corte Madera and Lafayette, California

EMBARCADERO VIDEO  
San Francisco, California

LIGHT OPERA GALLERY  
San Francisco, California

TERRITORY AHEAD  
San Leandro, California

# SZFM Design Studio

## *SELECTED RETAIL / MIXED USE STUDIES*

HOTEL RIVERSIDE  
Reno, Nevada

PIER SIDE DEVELOPMENT  
Huntington Beach, California

280 METRO  
Colma, California

KING'S MARKET / BORDERS BOOKS  
Atlanta, Georgia

EL CAMINO PLAZA  
Santa Clara, California

MAIN STREET WALNUT CREEK  
Walnut Creek, California

REGENCY PLAZA  
Sacramento, California

UNIVERSITY VILLAGE  
Sacramento, California

SUNRISE BOULEVARD  
Sacramento, California

HACIENDA GARDENS  
San Jose, California

EVERGREEN VILLAGE CENTER  
San Jose, California

NOVATO DOWNTOWN PLAN  
Novato, California

EL PASEO DE SARATOGA  
Santa Clara, California

MILPITAS TOWN CENTER  
Milpitas, California

EL CERRITO PLAZA  
El Cerrito, California

SANFORD SACHS BUILDING  
San Francisco, California

39 STOCKTON STREET  
San Francisco, California

91 DRUMM STREET  
San Francisco, California

455 MARKET STREET LOBBY  
San Francisco, California

ORDWAY BUILDING  
San Francisco, California

PLAZA PARK HISTORICAL STOREFRONTS  
Lafayette, California

DANVILLE HOTEL SITE PLAN  
Danville, California

UNION CITY EIR  
Union City, California

# SZFM Design Studio

## *DESIGN GUIDELINES PROJECTS*

LA FIESTA SQUARE  
Lafayette, California

CORTE MADERA TOWN CENTER  
Corte Madera, California

310 MAIN STREET  
Pleasanton, California

349 MAIN STREET  
Pleasanton, California

BAYHILL SHOPPING CENTER  
San Bruno, California

FREMONT HUB  
Fremont, California

WILLOWS  
Concord, California

BAYHILL SHOPPING CENTER  
San Bruno, California

EVERGREEN VILLAGE CENTER  
San Jose, California

101 CYRIL MAGNIN  
San Francisco, California

OAKLAND CITY CENTER  
Oakland, California

GREENSPPOINT MALL  
Houston, Texas

5th & MISSION RETAIL CONVERSION  
San Francisco, California

UCSF MILBERRY UNION  
San Francisco, California

SAN FRANCISCO INTERNATIONAL  
AIRPORT CONCESSIONS  
San Francisco, California

## **SUDHISH MOHINDROO**

**Principal**

**SZFM Design Studio**

Master of Architecture

University of California, Berkeley, 1980

Bachelor of Architecture with Distinction (Planning & Urban Design)

School of Planning and Architecture, New Delhi, India, 1976

Mr. Mohindroo has played a pivotal role on many of the firm's most significant projects. His retail expertise has influenced the design quality of each project undertaken by his staff. Having been educated with a strong emphasis in programming, planning and environmental design, Mr. Mohindroo has brought a unique perspective to architecture. These design abilities are demonstrated by several award-winning projects.

His talents are most apparent in fostering the support of the relevant user groups, government review agencies, general community and special interest groups by involving them in the initial planning phases and by integrating their concerns into the project in ways that support its goals. This experience includes the following: Facilitation of the EIR process; liaison between the developer and the planning department; conducting work sessions with neighborhood associations and other special interest groups; and presentations to review agencies and public hearings.

His understanding and respect of various disciplines contributing to a successful total environmental design has evolved into a design methodology that achieves the best of all contributing members. Past projects have also included artists, craftsmen and visual designers working closely with other design professionals.

Mr. Mohindroo's design capabilities along with a hands-on approach have contributed to the approval of several controversial and difficult projects that involved design issues even beyond the narrow scope of the projects.

Some of his projects are as follows:

- Novato Downtown Specific Plan, Novato, CA
- Corte Madera Town Center Renovation, Corte Madera, CA
- Paseo Nuevo, Santa Barbara, CA
- Evergreen Square, San Jose, CA
- Milpitas Town Center, Milpitas, CA
- Winrock Mall, Albuquerque, NM
- Greenspoint Mall, Houston, TX
- 101 Cyril Magnin, San Francisco, CA
- Sanford Sachs Building Hotel / Retail Renovation, San Francisco, CA
- Napa Town Center, Napa, CA
- Broadway Plaza, Walnut Creek, CA
- Huntington Beach Master Plan, Huntington Beach, CA
- Stonestown Shopping Center Renovation, San Francisco, CA
- Riverside Historic Hotel Renovation, Reno, NV
- Century City Plaza Renovation, Los Angeles, CA
- Jantzen Beach, Portland, OR
- La Fiesta Square, Lafayette, CA
- 310 Main Street, Pleasanton, CA
- Willows, Concord, CA



Projects Designed  
By SZFM

