



ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY

Chris Bazar
Agency Director

MEMORANDUM

DATE: February 15, 2017
TO: Castro Valley Municipal Advisory Council
FROM: Eileen Dalton, Director, Economic & Civic Development Dept. *E. Dalton*
SUBJECT: Presentation on Draft Request for Interest/Development Concept for 3295 Castro Valley Boulevard - The Daughtrey's Building

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The Economic and Civic Development Department (ECD) has prepared a Draft Request for Interest/Development Concept (Draft RFI) to solicit development concepts for the former Daughtrey's Department Store, located in the heart of downtown Castro Valley. The County is seeking a strong, experienced development team for a public/private partnership to develop a catalyst project that will draw customers and shoppers downtown, fulfill the community's desire for new and exciting restaurant, food-related and retail options, and take advantage of the new shared parking lot and paseo.

As outlined in the Draft RFI, the County is soliciting a highly qualified development team with the vision, experience, and financial capability to capitalize on this prime downtown site. The Draft RFI is a departure from the prior approach. Based upon community feedback about the last proposed use, the Draft RFI takes a more proactive approach, prescribing desired uses and offering flexibility in the land value to leverage a project that meets the County's expectations and goals. These include:

- an upscale restaurant, food-related and retail project offering new, unique choices
- a catalyst project that will bring new customers, shoppers and diners to downtown Castro Valley
- a project that incorporates the new paseo with opportunities for outdoor dining and active uses
- a project that delivers a transformative design and outstanding architecture
- a project that will generate new sales and property tax revenues

The Draft RFI also outlines the criteria that will be used to select a preferred developer. These include financial capability, a proven track record in completing development projects, meeting the community's desire for high-quality dining, food and retail experiences, and meeting the County's goals for the site. The Draft RFI also notes that the County is open to a variety of reuse concepts for the building, including demolition

and replacement with a project that meets the County's goals for the property.

ECD is planning to send out an RFI on Wednesday, March 1; it will reflect the MAC's feedback and guidance. An optional open house/tour of the building is scheduled for Wednesday, March 8, from 2 to 4 PM. Responses to the RFI would be due by 5 PM on Friday, March 24th. Interviews with the Selection Panel are tentatively scheduled for the week of May 8-12 and selection of a preferred developer is likely to be announced in mid-June. ECD would then negotiate an Exclusive Right to Negotiate (ERNA) with the preferred developer for consideration by the Board of Supervisors. The ERNA is the basis for a Disposition and Development Agreement (DDA) which would set forth the terms and conditions for development of, and ultimately, sale of the property.

There will be numerous opportunities for public input, beginning with this MAC meeting seeking feedback and guidance on the Draft RFI prior to its release. ECD staff will report out the Selection Committee's recommendation of a preferred developer/development concept to a subsequent MAC meeting. Additional opportunities will be provided when the Board of Supervisors considers approval of the ERNA with a preferred developer or development team. ECD staff will again return to the MAC with a Draft DDA for feedback and guidance, followed by the Board of Supervisor's consideration of the DDA. Ultimately, the Site Development Review process includes public review as the MAC considers planning and development entitlements for the selected project.

ECD recommends moving forward with the RFI process to take advantage of strong, unsolicited developer interest in this important catalyst site. Staff has provided information about the property and tours of the building to three interested developers this month alone. And the County is spending over \$4.8 million to build a new shared parking lot and paseo that will be completed this summer. Moving forward now capitalizes on this major investment and fulfills the County's goal to catalyze this prime opportunity site.

Attachment: Draft Request for Interest/Development Concept