

IN THE NEWS



Exclusive: How a food hall, park and grocer add up to overhauled Emeryville mixed-use center

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Jun 14, 2017

The owners of Public Market Emeryville are recreating its food hall, expanding a nearby park and anchoring the project with a new grocery store. The goal is to transform the shopping center into a \$110 million stop, park and visit destination.

San Francisco-based City Center Realty Partners is underway on its overhaul of the Public Market, 14.5-acre mixed-use property located in the epicenter of Emeryville's retail hub. TMG Partners, the property's previous owner, had spent years entitling the site to transform it into a dense, walkable neighborhood with housing, retail, office and other communal uses.



The 14.5-acre Public Market Emeryville is in the middle of a major renovation that includes the addition of more retail, a renovated food hall, a new grocery store, and an expanded park.

CITY CENTER REALTY PARTNERS

When City Center Realty Partners bought the 271,000-square-foot mixed-used retail and office complex in 2013, it included entitlements for an additional 830,000 square feet of retail, office space and housing. The developer has since spent the past three years to fine-tune those plans into a reimagined Public Market.

CCRP recently landed a deal with craft cocktail concept Market Bar to join new tenants for the 22,000-square-foot food hall. (The bar is not affiliated with the MarketBar cafe in San Francisco's Ferry Building.)

Mark Stefan, CCRP's president and co-founder, said the foodie venue is a critical component to reimagining Public Market as a social destination rather than the large-format, suburban centers found just down the street.

“We saw an opportunity to transform a suburban-layout project in a dense, urban environment into a gathering place for mainstream Emeryville,” Stefan said of buying the property. “People can buy a lot of their goods and services over the Internet, so we have to create a project that can’t be replaced by the Internet.”

In addition to the food hall, the market will add a few more tenants before it’s fully leased. CCRP’s plans also include the renovation of a 109,000-square-foot office building and the construction of a new ground-up 35,000-square-foot New Seasons Market grocery store. The developer is also adding 40,000 square feet of other retail and making significant street improvements to realign a stretch of Shellmound Street to the front of the Public Market. CCRP is expanding and renovating nearby Christie Park.

Stefan said 220 apartments are under construction within a 10-minute walk of the center, which is just a fraction of the 450 units the developer ultimately has planned for the site.

All existing retailers are open through the duration of the construction period, which is expected to wrap up this fall. Plant Construction is the general contractor, and Hart Howerton is the architect.

“When people are out from in front of a screen, they want a social environment,” Stefan said. “When you create a project, it has to be unique, have a sense of place and keep people walking through. It can’t have any overlap.”

That sense of exclusivity is one of the most important factors in today’s retail environment. Credit Suisse came out earlier this year with a bleak outlook for the market, with more than 8,600 stores expected to close in 2017 and the loss of more than 147 million square feet of retail space across the country.

Colliers International Group (NYSE: CIGI) Senior Vice President Stephen Rusher— who leases the nearby 380,000-square-foot Bay Street Emeryville lifestyle center — said the success of new or repositioned retail properties requires creating an experience customers can’t find anywhere else.

“You can’t be average,” Rusher said of tenants. “Retail has become more regionalized, and retailers have become more selective in finding the best locations that they’re willing to pay more for. No matter what you’re doing, you have to step up your game.”

Stefan is acutely aware of traditional retail’s dire circumstances, and said that is why the developer was so focused on creating an environment that couldn’t be recreated elsewhere — with a big emphasis on food.

“It’s a mix of retail, restaurant and entertainment space,” Stefan said of the re-envisioned Public Market. Older, more traditional retail properties “might have been two-thirds retail and one-third restaurant space, but that’s now flipped. We want a unique offering so people coming to the Public Market have something that they can’t find anywhere else.”

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