

# EAST BAY BUSINESS TIMES

IN DEPTH: COMMERCIAL DEVELOPMENT

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## Alameda undergoes an industrial renaissance

Projects break two-decade lull

[Katherine Conrad](#)

After a three-year search, Bron Tapes found what it was looking for at The Waterfront at Harbor Bay in Alameda where construction has begun on one of the first industrial developments to be built in the Oakland metro market in 20 years.

Now the tape converting and distribution company, which specializes in security tapes designed to deter thieves, just has to wait until late summer for its warehouse and office building to be constructed.

Jim Flynn, CEO of Denver-based Bron Tapes, said the company's Northern California division, under the leadership of Kevin Leininger, had outgrown its leased facility in Union City, where it has done business for 18 years. But a centrally located warehouse under 20,000 square feet in a decent area proved tough to find.

"Frankly, I have rehabbed a few buildings," he said from his office in Denver. "And I've been in my fair share of slums. A nice building displays more professionalism. It's image, more than anything, and a nice work environment for the workers."

As CEO of a privately owned company, Flynn was reluctant to reveal annual sales statistics. "With 10 locations, we sell a lot of tape," he said, predicting Bron Tapes would be a \$100 million company by 2010.

A company with those kinds of numbers deserves a decent building, and Flynn said he looks forward to a facility built to his company's specifications that offers loading docks, a drive-in door and a will-call area - even if it costs considerably more than the same-sized structure in Arizona or Texas. Last year, Bron Tapes built a facility for \$60 a square foot in Houston and \$85 a square foot in Phoenix. Flynn said the Alameda facility will cost about \$185 a square foot.

That's a far cry from the Denver garage where Flynn started his business in 1977. Today the company employs 135 people at 10 locations and counts such customers as [Peet's Coffee & Tea Inc.](#), United Airlines and [Lockheed Martin](#).

Coincidentally, Bron Tapes' next door neighbor is Peet's, which is building a coffee roasting facility in the development identified as the North Loop Center. Other nearby companies include Ettore, which makes squeegees and expects to move in to its new building this spring, and Cheese Works, a cheese importer.

Clearly, the developers of one of the largest speculative industrial sites in the East Bay have been busy. When complete, the almost 90,000-square-foot project on North Loop Road will have four buildings ranging in size from 6,000 square feet to 33,000 square feet.

"This is one of the newest developments in Oakland and Alameda in the last 20 years," said Kevin Ahaesy, a Cushman & Wakefield broker who is marketing the development on behalf of [SRM Associates](#). "There're numerous companies looking for this type of product, and the product is not out there. If it is, it's extremely old. Plus, this is a great location and offers pride of ownership."

Joe Ernst, project manager for developer SRM Associates, described the market reaction as "tremendous" and also

attributed the enthusiasm to the lack of product in Oakland, Berkeley or Emeryville.

"We're in a unique location that offers good freeway access, plus we're right between the Port of Oakland and the Oakland Airport," he said.

Brokers from Cushman & Wakefield said that another reason interest is high is no one knows how Oakland city officials will handle the pressure from housing developers to convert land that is currently zoned industrial into residentially zoned property. As Oakland allows more housing in historically industrial neighborhoods, companies have been looking for friendlier places to do business.

"We are benefiting from the zoning uncertainty in Oakland. There's no doubt that we are," said John McManus, a broker with Cushman & Wakefield.

"We're a 21st-century region with 50-year-old buildings. There's very little product. (North Loop Center's) buildings are not out of the ground yet, and the response is overwhelming," he said. "It's difficult to sell a building that doesn't exist. (Yet) we have people who have committed money and are making offers - on a speculative project. That's fairly unusual."

Once this project is constructed, about eight acres remain for light industrial development in the North Loop Center.

"After that, there's no more," McManus said. "That's it."

Ernst noted that another 30 acres of developable land remain in the business park, but it is located closer to the ferry terminal and - given the views of San Francisco Bay - probably will be developed for higher-end office usage.

"This is the only location for a new functional building," Ernst said, "and it happens to be in a premium business park setting."


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