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**Real estate**

## Bean counters at Peet's Coffee bet on roasting plant in Alameda

San Francisco Business Times - April 21, 2006 by [Ryan Tate](#)

Peet's Coffee & Tea Inc. will perk up Alameda's commercial real estate market when it formally breaks ground is new 135,000-square-foot coffee roasting and distribution facility there April 26.

SRM Associates of Berkeley and Pacific Coast Capital Partners of El Segundo are selling the building and surrounding land to Peet's inside their Waterfront at Harbor Bay business park.

Peet's will pay roughly \$17 million for the facility and 460,000 square feet of land, or about 14 percent of the business park, according to documents it filed with the SEC. It will formally acquire those assets outright -- rather than leasing them -- after SRM And Pacific Coast complete the building at the end of December 2006.

Peet's expects to put in an additional \$7 million in special improvements. The plant is to be running by April 2007 at full capacity.

Having a roasting plant physically distant from the headquarters office breaks a long tradition of Peet's, which during its long history in Emeryville has, until now, roasted coffee beans right next to where executives crunch numbers.

The setup was widely seen as a physical manifestation of the company's obsessive dedication to bean quality.

That's why, when Peet's was on the hunt for new roasting space last year, brokers believed the headquarters would follow, and that the company was destined to leave Emeryville, a town where squeezing in new industrial uses is tough.

But Peet's is, indeed, separating its roasters from its bean counters.

CEO Patrick O'Dea said in a press release that the new facility will be "just six miles" from headquarters.

The quip was by way of saying that roasting plant employees won't have to alter their commutes much, but it's likely those among the top brass in Emeryville will want to smell the coffee from time to time.

Or, if they want to stay close to home, there's a Starbucks just a couple of blocks away, about a quarter of the distance to the nearest Peet's.

Slide or glide

Class A vacancy in downtown Oakland dropped four tenths of a percent to 7.5 percent, even as overall vacancy rose about as much, brokerage Grubb & Ellis said in an early first-quarter report. *All contents of this site © American City Business Journals Inc. All rights reserved.*

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