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## Retail/Lease or Sale: Emeryville Public Market



*The new owners have experience with complex mixed-use projects such as the 14-acre Public Market.*

**Winner Location:** 5905, 5959, 6001 Shellmound St. and 6330 Christie Ave., Emeryville

**Size:** 271,760 square feet on 14 acres

**Buyer:** City Center Realty Partners and Angelo Gordon

**Seller:** TMG Partners and Rockwood Capital

**Brokers:** Nicholas Bicardo of HFF represented the seller.

The term mixed-use refers to properties with more than one kind of real estate. In the case of the Emeryville Public Market, mixed-use doesn't even begin to define the project.

When the property, which consists of retail, office, hotel, a movie theater, international food court and entitlements for more than 800,000 square feet of new space including residential, hit the market last year, brokers knew it would take a special buyer to not only make sense of the 14-acre site, but have the capacity, knowledge and stomach to take it on.

Whoever bought the site was not going to be “your typical investor that invests for cash flow or value add,” said [Nicholas Bicardo](#), a broker with HFF who represented seller TMG Properties. “The challenge was finding a buyer that had expertise with all four of those hats: development, retail, office and multifamily. We had an incredible site, incredible assemblage, incredible market, but the complexity to the asset, that really was the part that presented the most challenge.”

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TMG PARTNERS

The pool of prospective buyers quickly dwindled from dozens to a few. Interested buyers went through multiple rounds until the choice was narrowed down to San Francisco-based City Center Realty Partners and its equity partner, [Angelo Gordon](#).

The firm happens to be one of those multiple hat-wearers with experience in retail, office, and mixed-use in markets nationwide. The Emeryville Public Market is City Center Realty's first East Bay acquisition.

"We liked the opportunity and we dug in as quickly as we could to find out the value and how we could add value," said [Mark Stefan](#), who heads City Center Realty Partners with [Sig Anderson](#). "Hopefully the seller chose us because we understood the asset, understood the market and knew that we would perform."

The partners also knew they faced stiff competition, but were willing to stick it out.

"This was definitely competitive," Anderson said. "You never know as a buyer how competitive it is, but we knew of other people who were interested."

TMG Partners, the seller in the deal, spent several years entitling the site to transform it into a new urbanist's dream — a dense, walkable neighborhood with housing, retail, office and other commercial activities with great access to public transportation. In the couple of years before the sale, TMG renovated the center's retail facades and common areas and revamped the tenant mix.

The redevelopment plan won accolades, such as a \$1.35 million grant from the California Catalyst Communities Pilot Project and the U.S. Green Building Council LEED certification program for neighborhood design.

The buyers said the site comes with value as-is because of its already strong retail mix ranging from food vendors and Peet's Coffee & Tea to Urban Outfitters and Guitar Center. Stefan said the new owners will likely dive into enhancing the retail even more and analyze what type of redevelopment they want to pursue.

"There's an opportunity to build off the existing tenancies and create a product offering, a selection that's not available in Oakland, Emeryville and Berkeley today," Stefan said. "We want to try to make this project the living room, gathering room for Emeryville."



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