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STAFF CUTS, INCREASED CLAIMS SLOW FUEL TANK FUND CHECKS

Underground fuel tank contractors are reeling from déjà vu, says Santa Rosa specialty attorney **Hans Herb**. Home-improvement store **Yeager & Kirk** was forced to shut down in 1993, because the state **Underground Storage Tank Clean-up Fund** was slow to reimburse for tank removal at the Santa Rosa Avenue site.

Now, state budget cuts have trimmed the staff in the tank division of the **State Water Resources Control Board** to 34 from 48, and time to process claims has extended from two months to three. New rules on higher-technology tank leak detection for sites near water have increased the number of claims, according to board spokesperson **Liz Kanter**. The board processes roughly 600 claims monthly and has a backlog of 1,600 payments.

California's situation is not unique, and some states are up to six months late in paying, typically longer than bank lines of credit allow, according to **Don Bodie**, spokesperson for Tampa, Florida-based petroleum cleanup financier **Envirocap**. The company finances fund-reimbursement receivables in 26 states. That service comes at a price: an origination fee of 2% of the claim amount plus 1.5% a month in interest. That's on top of the fund deductible of \$5,000 for small firms and \$10,000 for large ones.

Petaluma shopping centers getting makeovers include **Plaza North, Plaza South, Washington Square, and Golden Eagle**. At the 165,000sf, four-decade-old Plaza South center at 157 North McDowell Boulevard, **Raley's** is aiming to build a 65,000sf store where **JC Penney** is now, according to its application to the city.

The center's owner, **John McNellis** of Palo Alto, declined to discuss the future of JC Penney there beyond the two years remaining on its lease. Raley's spokesperson **Jennifer Ortega** says the West Sacramento-base chain doesn't discuss real estate deals in progress.

Mr. McNellis says the center has reached the end of its useful life in its previous state, and renovations, including new façade and tenant adjustments, will be complete in the next two and a half years. He has replaced **Albertson's/apple Market** with **Trader Joe's** and **Jo-Ann Fabrics** with **Petco**, is rightsizing **Big 5** into 13,000sf, and is expanding **Silver Screen Video**. A new **Bank of America** branch has replaced a tire store.

The general contractor on the center rehab project is Sacramento-based **SD Deacon**, and **RHL Design Group**'s Petaluma office is part of the design team. The architect for Raley's space is **RMB Architects** of Sacramento.

Fountaingrove Resort & Country Club members and local residents may soon enjoy shopping at **Fountaingrove Square**, the area's first upscale retail center. The project, part of a mixed-use development approved by the **Santa Rosa Planning Commission** in late September, is slated to go before the **City Council** in November.

Santa Rosa-based **B&G Group** proposed to build 21 attached single-family homes and 20,160sf of retail and office space on four and a half acres straddling Stagecoach Road at Fountaingrove Parkway. B&G president **Luhkbir Gill** says the center is fully leased to six retail tenants and three office tenants.

Owens Corning, which owns the former **Stucco Stone Products** operation in Napa, says it will be investing \$15 million in equipment and hiring 65% more workers at its three stone veneer plants by late next year.

Construction supplies dealer **DHC Supplies**, formerly **Don Hoban Company**, has leased a 20,650sf warehouse at 3440 Standish Avenue in Santa Rosa for expansion. The Rancho Cordova-based chain has an existing store at 3430 Santa Rosa Avenue. **Shawn Johnson** of **Keegan & Coppin** and **Linda Zacharin** of **Zacharin & Company** brokered the lease.
